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**FACTORS INFLUENCING STUDENTS' SPENDING
HABITS IN MALAYSIA**



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**FACTORS INFLUENCING STUDENTS' SPENDING HABITS
IN MALAYSIA**



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Othman Yeop Abdullah
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FACTORS INFLUENCING STUDENTS' SPENDING HABITS IN MALAYSIA

ABSTRACT

The spending habits of students nowadays has become a major concern in our society in view of the increase in bankruptcy cases and social problems among younger generation in Malaysia which are often associated with their financial instability due to poor individual financial management. This study aims to know the factors influencing the spending habits of students and to fill the knowledge gap on their spending. In this study, dependent variable is spending habits, and four independent variables have been determined, namely product usage and purchasing power, social status, promotional approaches and prestige. The respondents of this research are college students currently studying at the colleges located in Klang Valley, Malaysia. The method used is a Quantitative Approach by survey through questionnaires which are adapted for this study in addition to questionnaires adopted from previous researchers of which the Cronbach Alpha Coefficient value is greater than 0.70. A total of 384 samples of the questionnaires have been collected manually and via e-mail from the college students, age 17-22. The significance of data has been determined using Descriptive Statistics, Normality Test, Frequency Test, Validity Test, Factor Analysis, Reliability Test and Multiple Regression Analysis. This study has concluded that prestige factor, promotional approaches and social status are factors which influence the spending habits of the students, whereas the product usage and purchasing power do not have significant influence on the students' spending habits, but there is an indirect factor influencing the spending habits because it is correlated to prestige factor and promotional approaches. Nevertheless the results of this research only reflect the finding from limited students in Klang Valley, further efforts to conduct the research on a national basis would be beneficial, which should include students in rural areas, small town and other cities to reflect the demographic composition of Malaysia.

Key words: college student, spending habits, financial literacy, product usage, purchasing power, social status, promotional approaches and prestige.

FAKTOR-FAKTOR YANG MEMPENGARUHI TABIAT PERBELANJAAN PELAJAR-PELAJAR DI MALAYSIA

ABSTRAK

Tabiat perbelanjaan di kalangan pelajar pada masa kini telah menjadi perhatian utama dalam masyarakat kita berikutan peningkatan kes kebangkrutan dan masalah sosial di kalangan generasi muda di Malaysia yang sering dikaitkan dengan ketidakstabilan kewangan mereka disebabkan pengurusan kewangan individu yang lemah. Kajian ini bertujuan untuk mengetahui faktor yang mempengaruhi tabiat perbelanjaan di kalangan pelajar dan untuk mengisi jurang pengetahuan mengenai perbelanjaan mereka. Dalam kajian ini, pembolehubah bersandar adalah tabiat berbelanja, dan empat pembolehubah bebas telah ditentukan, iaitu penggunaan produk dan kuasa beli, status sosial, pendekatan promosi dan prestij. Responden kajian ini terdiri daripada pelajar-pelajar kolej di sekitar Lembah Klang, Malaysia. Kaedah yang digunakan ialah Pendekatan Kuantitatif melalui proses soal selidik berdasarkan soalan-soalan yang telah disesuaikan untuk kajian ini dan termasuk juga soalan soal selidik yang digunapakai oleh penyelidik sebelum ini dengan nilai Cronbach Alpha melebihi 0.70. Sebanyak 384 set borang soal selidik telah dikumpul secara manual dan melalui e-mel daripada pelajar kolej, berumur di antara 17-22. Kepentingan data telah ditentukan dengan menggunakan Statistik Deskriptif, Ujian Kenormalan, Ujian Frekuensi, Ujian Kesahan, Analisis Faktor, Ujian Kebolehpercayaan dan Analisis Regresi Pelbagai. Kajian ini merumuskan bahawa prestij, pendekatan promosi dan status sosial adalah faktor-faktor yang mempengaruhi tabiat perbelanjaan pelajar. Namun begitu, kajian ini merumuskan bahawa penggunaan produk dan kuasa beli bukanlah factor yang mempengaruhi tabiat perbelanjaan pelajar, sebaliknya ia mempengaruhi tabiat pelajar secara tidak langsung kerana ia ada berkaitan dengan prestij dan pendekatan promosi. Walau bagaimanapun hasil kajian ini hanya memberi gambaran maklumbalas daripada pelajar kolej yang terhad di Lembah Klang, usaha selanjutnya untuk menjalankan penyelidikan di peringkat nasional akan dapat memberi manfaat, yang mana harus termasuk pelajar-pelajar di kawasan luar bandar, bandar kecil dan bandar-bandar lain untuk mencerminkan komposisi demografi Malaysia.

Kata kunci: pelajar kolej, tabiat perbelanjaan, literasi kewangan, penggunaan produk, kuasa pembelian, status sosial, pendekatan promosi dan prestige.

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LIST OF ABBREVIATION

| | |
|----------|---|
| CCIR | Central Credit Reference Information System |
| DV | Dependent Variables |
| IBM SPSS | Statistical Package for Social Science version 22 |
| IV | Independent Variables |
| KMO | Kaiser-Meyer-Olkin |
| MVM | Muslim Volunteer Malaysia Association |
| PA | Promotional approaches |
| PF | Prestige factor |
| PU | Product usage and purchasing power |
| PTPTN | National Higher Fund Corporation |
| SD | Standard Deviation |
| SE | Standard Error |
| SH | Spending habits |
| SS | Social Status |



CHAPTER ONE

INTRODUCTION

1.1 Background of The Study

Spending habits cannot be separated from the daily life of the people due to the rapid change of the competitive global business environment. It resulted the decision-making has become complicated and more complex. This phenomenon impacts the students' life as they exposed to advertising campaigns, internet provider and electronic purchasing facility.

According to social learning theory, spending habits defined as a learned habits that influence by parents and other influential individuals. Therefore, predominantly, one that is passed from generation to generation. In the United States, Spending by the students have been identified as an important component of total consumer spending. Wong & Smith (2002) stated that the students are one of the most important markets for many businesses based on the size and characteristic of the market. Ring (1997) concluded that the full time students spent \$23 billion on essential items such as books, tuition ,food and rent, whereas another \$7 billion was spent on nonessential items such as accessories, fashion and entertainment.

Spending habits has never been stable. It changed over the time, especially among college students. In the ages past, clothes, printing and stationery, books

and other similar nature of items for study were bought by the students. However, this generation has been grown at the age of modern technology and educational availability. Their basic necessities have increased, for instance, laptops and other gadgets are needed for assignments, smartphone is needed for communication and to certain extent, vehicles needed as transportation.

Research conducted by Samantha (2014) concluded the main source of income of students are from parents which consist of 45%, and balance is from job (40%) and loan (15%). The research results shown that they spent 60%-70% of their money in bars, fashion, electronic, live music and media. The focus on college students because there is a change from childhood into adulthood that makes their life full of challenging. Many of them are experiencing being on their own for the first time and need to make their own decision. In addition, these group of people will soon to dominate the consumer market and the awareness of spending smart is one of the important way to get out of debt and build wealth.

Hayhoe et al. (1999) concluded that early exposure to financial management is crucial for the young adults because they will encounter various obligations in the near future such as financial commitments. In addition, Hovanesian (1999) hypothesizes that young adult is conscious of money, but the issue is they do not have the knowledge about it. This resulted they tends to over spend. Wang and Xiao (2009) hypothesizes that females tended to spend more money on clothes, while men spent more money on entertainment. In addition, Norvilitis et al. (2006) states that age, personality traits, and financial knowledge is a vital

factors influencing spending habits. Woman are more likely to report having a budget than men, but women more frequently accumulate higher amount of debts (Micomonaco, 2003). Hotpascaman (2008) concluded behaviour, social status and family lifestyle were the factors influencing spending habits. Other than that, Enrico et al. (2014) states that college students' spending habits driven by purchasing power, product usage, social status and satisfaction. On the other hand, Chris (2015) concluded that youth spending habits driven by technology and altruism, not advertisement.

In view of the different thoughts from various researchers, it is essential to study the factors influencing the spending habits among students in managing their money which soon to dominate the consumer market. The awareness of spending is essential in order to plan for emergencies and retirement, and more importantly to minimise the risk of bankruptcy and social problems resulted from overspending such as commit crimes, corruption, alcohol, drugs and commit suicide. Gordon (1987) looked into the eyes of the young generation crowd and said to them, "You are the ninja generation. No income, No assets, No job, but too much debt". Besides, Mohamad Fazli (2014) mentioned that for the period from 2005 to 2012, total bankruptcy declared were 129, 640, and 68,299 (53%) were those below 45. In addition, Tang (2016) stressed that 76% of Malaysian students don't have enough money to feed themselves based on the survey conducted by Muslim Volunteer Malaysia Association (MVM). As a result, a study to understand the factors influencing the spending habits among college students is vital in order to help in managing their spending in

the most effective manner and minimise the risk of future financial instability on matching income and expenditures.

1.2 Problem Statement

The major concern in Malaysia today is on the financial illiteracy in the young and affluent which will lead to the risk of bankruptcy and social problems. They are failing to observe the basic rules in sound financial management. Their debt level have increased significantly over the past decade which resulted a societal implications as they are not flexible to accept any job and may affect by the decisions about family, marriage, and home purchase (Boushey, 2005). According to Goetz et al. (2007), the problem of high debt levels among college students is due to the low financial literacy and poor financial management. A research study conducted by Visa USA Inc., (2007) concluded that annual spending by the young adults estimated to reach USD 2.45 trillion in 2015. Besides, Hovanesian (1999) commented that the young adults very likely to spend their cash as quickly as they acquire it.

In the context of Malaysia, 50% of credit card holders who had been declared bankrupt were those below 30 (Bank Negara Report, 2010). The Corporate Affairs and Communication Head of Credit Counselling and Debt Management Agency (AKPK), Mr. Devinder Singh said that 15% of the 39,600 people enrolled in the debt management programme are those below the age of 30. Fomca Chief Executive Officer, Datuk Paul Selvaraj informed that many of the young adults were trapped in debt because they lived beyond their means. In addition, Mohamad Fazli (2014) mentioned that for the period from 2005 to

2012, total bankruptcy declared were 129, 640, and 68,299 (53%) were those below 45. The implication is their names would be blacklisted in the Central Credit Reference Information System (CCRIS) database once declared bankrupt and their life would be very tough. As a result, it will attribute to social problems such as commit crimes, alcohol, drugs and commit suicide.

The financial problems faced by the young adults become critical. The Sundaily posted on 5th November 2014 reported that the National Higher Fund Corporation (“PTPTN”) was set up in 1997. As at 30th September 2014, PTPTN had approved education loans to 2.1 million of applicants which is amounting to RM 48.36 billion. However, 54% of the borrowers are failed to make repayments. PTPTN chairman Datuk Shamsul Anuar Nasarah said that at the initial stage, the details of 173,985 debtors with loan of RM 1.23 billion will be listed with CCRIS. The subsequent stage will involve the listing of details of the rest of the errant borrowers. Besides, Tang (2016) stressed that the survey on 25,632 students from six public universities (UIAM, UiTM, UKM, UM, UUM and UTHM) by Muslim Volunteer Malaysia Association (MVM) have been conducted and the survey found that 97% of the undergraduates asked for financial assistance and 96% of them are under economic strain. This survey also found that 73% of the undergraduates had no money to buy meals and 56% of them had only RM5 a day for meals. In addition, 43% survive on instant noodles while 41% eat only rice with fried egg and soup. (Appendix 2). This survey results came as a surprise. Higher Education Ministry Secretary-General Datuk Seri Zaini Ujang said that three possible reasons behind the undergraduates to be so broke that they do not have

enough money to feed themselves, namely bad spending habits, low financial literacy and Malaysia's strained economy.

Table 1.1

Financial challenges faced by undergraduates

| | Undergraduates | % / Total sample |
|---|----------------|------------------|
| Need assistance | 24,914 | 97% |
| Felt burdened by the economic situation | 24,720 | 96% |
| Had no Money to buy meals | 18,765 | 73% |
| Only had RM5 a day for meals | 14,458 | 56% |
| Only had rice, fried egg and soup for meals | 11,120 | 43% |
| Only had instant noodles for meals | 10,439 | 41% |

Source: Muslim Volunteer Malaysia (MVM), image via Yeong Ji Hou/Malaysiakini.

Besides, EPF Chief Executive Officer, Shahril Ridza Ridzuan (FMT Report, 2015) said nearly 80% of the Malaysians who are at the age of 55 in 2015 do not have enough savings in their account to live above the poverty line which is set at RM 830 per month. He informed that this group of people would not have enough in total EPF savings to enable them to live on RM 800 a month for the next 20 years.

In view of the various problems mentioned above, a study on the factors that influence the spending habits of students is important in order to help the

students to have a better understanding on spending habits that triggered it. A sound financial literacy training may require in order to minimise the risk for future financial instability on matching of earnings and spending, and at the same time to reduce the bankruptcy cases and social problems. In addition, this study also aims to assist the society, especially the educational policy makers to have better understanding of the effective channel to cultivate spending habits so that the students can start savings for emergency and plan for retirement.

1.3 Research Questions

Based on the problem statement as discussed above, there are five research questions that arise in relation with the scope of this study.

1. Is there any relationship between product usage and purchasing power and spending habits of the students in Malaysia?
2. Is there any relationship between social status and spending habits of the students in Malaysia?
3. Is there any relationship between promotional approaches and spending habits of the students in Malaysia?
4. Is there any relationship between prestige factor and spending habits of the students in Malaysia?

5. Is there any relationship between all the above independent variables and spending habits of the students in Malaysia?

1.4 Research Objectives

The objectives of this study summarised as below:

1. To identify the relationship between the product usage and purchasing power and the spending habits of the students in Malaysia.
2. To identify the relationship between the social status and the spending habits of the students in Malaysia.
3. To identify the relationship between the promotional approaches and the spending habits of the students in Malaysia.
4. To identify the relationship between the prestige factors and the spending habits of the students in Malaysia.
5. To identify the relationship between all the above independent variables and the spending habits of the students in Malaysia.

1.5 Significant of The Study

This research results would provide a clear understanding of factors influencing the spending habits among students in Malaysia. By knowing these factors, hopefully the students will be more aware about the spending habits that triggered it in view that they are soon to dominate the consumer market and aims to minimise the risk of future financial instability on matching income and expenditures. This is essential in order to minimise the risk of bankruptcy and social problems such as commit crimes, corruption, alcohol, drugs and commit suicide. Besides, it also aims to create awareness to students that they need to start savings for emergencies and plan for retirement.

On the other hand, this research results shall be beneficial to the educational policy makers in Malaysia in planning a workable economic and financial education programs towards achieving the awareness of financial literacy among students by providing effective financial management education. According to Danes et al. (1999), the rationale behind is education setting at this level can better prepare youths to encounter the complex marketplace in the future , cautious of their actions and minimise the risk for future financial instability, especially on the matching of earnings and spending. Furthermore, it will provides companies with valuable information about the spending habits and motivators to purchase. Thus, it allows companies to market their products in a more effective manner as the students will be a lucrative and profitable target segment in the near future.

1.6 Scope and Limitations of The Study

1.6.1 Scope of The Study

This research focuses on the college students. Baker (1999) stated that this group of population will be the largest cohort in the nation's history and by number alone, promise to reshape the country in every aspect of life. Wong & Smith (2002) concluded that the college students are one of the most crucial segments for many businesses based on the size and characteristics of the competitive global market. In addition, there is a change from childhood into adulthood that makes their life full of challenging in which many of them are experiencing being on their own for the first time and need to make their own decision.

In this study, the researcher identified the relationship between factors that influencing student's spending habits, namely product usage and purchasing power, social status and prestige factor. The focus is on the Malaysian college students' age 17-22. Table 1.2 shows that this group of people represents 5.19 million (18%) of the total population of RM 28.33 million in Malaysia. At the same time, this study results will also benefit the age group, ranging the age of 0 to 14 years old which represents 8.67 million (31%) of Malaysian population because they will soon become the young adults and will face the same problems that encountered by the college students today (Appendix 3). As a result, this study aims to assist 49% of Malaysian population in which they will soon dominate the consumer market and at the same time to minimise the risk of bankruptcy and social problems.

Table 1.2:

2010 Malaysia Population distribution by age group

| Age Group | Million | Percentage |
|-----------|---------|------------|
| 0-4 | 3.04 | 10.7 |
| 5-9 | 2.79 | 9.8 |
| 10-14 | 2.84 | 10.0 |
| 15-19 | 2.64 | 9.3 |
| 20-24 | 2.55 | 9.0 |
| 25-29 | 2.37 | 8.4 |
| 30-34 | 2.11 | 7.4 |
| 35-39 | 1.92 | 6.8 |
| 40-44 | 1.82 | 6.4 |
| 45-49 | 1.63 | 5.8 |
| 50-54 | 1.40 | 4.9 |
| 55-59 | 1.13 | 4.0 |
| 60-64 | 0.76 | 2.7 |
| 65-69 | 0.54 | 1.9 |
| 70-74 | 0.37 | 1.3 |
| 75-79 | 0.22 | 0.8 |
| 80-84 | 0.12 | 0.4 |

| | | |
|-------|-------|-------|
| 85-89 | 0.05 | 0.2 |
| 90-94 | 0.02 | 0.1 |
| 95+ | 0.01 | 0.0 |
| Total | 28.33 | 100.0 |

Source : Department of Statistics Malaysia, official Portal

The area of the research selected is Klang Valley. This is because Klang Valley is located in Kuala Lumpur and adjoining cities and towns in the state of Selangor. In term of the population distribution by state, Selangor was the most populous state in Malaysia which represent 19% (5.46 million) and Wilayah Persekutuan Kuala Lumpur represent 6% (1.67 million) of total Malaysia population of 28.33 million. Therefore, total population in Selangor and Wilayah Persekutuan Kuala Lumpur presents 25% (7.13 million) of total Malaysian population. This is shown in Table 1.3. As a result, the selection of college students who are currently studying in university at Klang Valley is appropriate to represent the general students' population in Malaysia (Appendix 3).

Table 1.3 :
2010 Malaysia Population distribution by state

| State | ‘million | Percentage |
|--------------------|----------|------------|
| Selangor | 5.46 | 19.3 |
| Johor | 3.35 | 11.8 |
| Sabah | 3.21 | 11.3 |
| Sarawak | 2.47 | 8.7 |
| Perak | 2.35 | 8.3 |
| Kedah | 1.95 | 6.9 |
| W. P. Kuala Lumpur | 1.67 | 5.9 |
| Pulau Pinang | 1.56 | 5.5 |
| Kelantan | 1.54 | 5.4 |
| Pahang | 1.50 | 5.3 |
| Terengganu | 1.04 | 3.7 |
| Negeri Sembilan | 1.02 | 3.6 |
| Melaka | 0.82 | 2.9 |
| Perlis | 0.23 | 0.8 |
| W.P. Labuan | 0.09 | 0.3 |
| W.P. Putrajaya | 0.07 | 0.3 |

| | | |
|-------|-------|-------|
| Total | 28.33 | 100.0 |
|-------|-------|-------|

Source : Department of Statistics Malaysia, official Portal

1.6.2 Limitations of The Study

The main limitation of this study is it merely covers the college students in Klang Valley. Thus, it may not be able to represent the college students or young adults in other areas, especially rural areas. Secondly, most of the studies related to spending habits among students are done in overseas countries such as USA, Canada, Australia, Iran and Indonesia. However, there is little investigation on young adults spending habits in Malaysia that resulted little resources to compare with. Thirdly, time taken is too short. It resulted lack of availability of ample information and the coverage of university is limited. In this study, the researcher only managed to concentrate on students who are studying at Tunku Abdul Rahman University College and Taylor's University, The concentration of these two universities resulted majority of the respondents are Chinese in which it may influence the responses to the survey questions. Lastly, the assistance to respond to the questionnaires sincerity is also the obstacles of this study.

1.7 Organization of The Thesis

This research paper has been organised into five chapters. The first chapter is Introduction which aims to explain the overview of the research. It consist of the background of the study, the problem statement, research questions, research objectives, significance of the study, scope and limitations of the study and organization of the thesis. The second chapter is literature review, i.e. report on the previous reviews of literature and theories related to this research. The third chapter explains on the methodology, techniques and tools of analysis used for this research which includes research framework, hypotheses/Propositions Development, Research Design, Operational Definition, Measurement of variables / instrumentation, Data Collection, Sampling, Data Collection Procedures and Techniques of Data Analysis. The forth chapter covers the analyses of data and findings of the research which represents complete results and analysis of the study in form of figures, table or text so that the key information is highlighted. The last chapter is conclusion and recommendation which summarise the key findings and the significance of the findings and the theoretical, practical and policy implications will be highlighted. Besides, recommendations for future research will also be included.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter demonstrate a critical review of literature and theories which are related to this study. Specifically, it focuses on factors influencing college students' spending habits, namely product usage and purchasing power, social status, promotional approaches and prestige. Besides, Relative Income Theory of Consumption, Permanent Income Theory, Life Cycle Theory of Consumption and Social Learning Theory applied in the research as a base to guide the development of research framework.

2.1 Theoretical Underpinning

2.2.1 Relative Income Theory of Consumption

Relative Income theory developed by Duesenberry James (1949). It states that the key factor affecting an individual's attitude to consumption and saving is dictated more by his income and the abstract standard of living. The percentage of income consumed is depends on the percentile position within the income distribution. This hypothesis stated that the present consumption is influenced by present levels of absolute and relative income and also by levels of consumption attained in the previous period. Thus, the total consumption ratio is depend on the level of present income relative to past peak income. As a result, it is difficult for a family to reduce a level of consumption once attained.

2.2.2 Permanent Income Theory of Consumption

Permanent Income Theory of Consumption developed by Milton Friedman (1957). This theory attempting to describe how people spread their consumption over their lifetimes. An individual's consumption is determined by their current income and their expected future income. The hypothesis states that changes in permanent income will drive the changes in a consumer's consumption pattern which consist of physical assets (property and shares) and human assets (qualification and working experience).

2.2.3 Life-cycle theory of Consumption

Life-cycle theory was formulated by Albert Bandura (1977). It encompasses concepts of traditional learning theory and the operant conditioning which is developed by B.F. Skinner in 1947 and classical conditioning which is

developed by John Watson in 1913. Classical conditioning theory believed on the importance of learning from environment (nurture) instead of biology (nature), whereas Operant Conditioning theory emphasizes that the behaviour is controlled positive and negative consequences resulted from reinforcement and punishment. Bandura added mediating processes occur between stimuli and responses. Thus, this theory indicates the levels of income and consumption over time is learned from the environment through the process of observational learning.

This theory hypothesizes that it is logic and rational that people will be overspent at the beginning and ends of their lives. Students are fall into the prior category in which their cash outflow is greater than cash inflow generally. This theory believed that people will be able to smooth their consumption accordance to income over their lifetime. Wilkinson (2008) states that any change in wealth should produce an identical effect on consumption, regardless the source of the wealth change. This means that rational humans will constantly calculate their level of income in order to smooth their spending habits. Warneyrd (1999) explained that the deficit spending in the early and late stages of life is balanced by a steady salary and pay increase during their middle stage of life. A degree of self-control and proper planning in spending is not difficult for most people to achieve, but it involves complex calculation. Based on this life-cycle model, it is rationale for college students to overspend and this deficit spending will be adjusted against the future periods of earning and saving. Therefore, failure to make adjustment on the deficit spending pattern may be attributed to a lack of financial education and apply for those

unrealistic people, especially in term of perception of the job market. Soman and Cheema (2002) commented that people is not able to value their future incomes correctly and they are lack of the cognitive capability to solve the intertemporal optimization required by the life-cycle hypothesis.

According to Kaitlin (2013), this theory may make sense theoretically and provides a good model off of which to base financial behaviour, but people are not always economically rational actors, thus, it is not uphold in everyday life. As a result, understanding socio-economic practices, moral judgements and the everyday understandings and attributions of the people involved is essential in understanding the spending decisions. This will assist to avoid any debt and wasteful spending which lead to financial soundness, financial prudence could enlighten the future among the youth and generate wealth (Pillai et al., 2010).

2.2.4 Social Learning Theory

Social learning theory developed by Albert Bandura (1977). According to this theory, spending habits can be viewed as a learned behaviour often transmitted by parents and other influential individuals, and is, therefore, predominantly, one that is passed from one generation to next generation. Spending habits and their patterns have been conceived as existing along a continuum running between two poles. One pole represents a preoccupation with the acquisition and hoarding of money; the other pole represents the obsessive or compulsive spending habits. (Lois et al., 1998). Following the model of Consumer Socialization developed by Moschis & Churchill (1978), the variables affected

individual are the structure and the social development. The main agents that influence and ultimately determine the consumer behaviour are parents, peers and mass media (Moschis, 1987). Logically, the effect of such agents will be different depending on the stage of the individual life cycle (John, 1999) and it will be different for different individual.

2.2 Spending Habits

According to Pillai et al. (2010), the attitude of young adults toward spending plays an essential role in sustainability perspectives of their finance. It also acts as a significant variable in financial prudence. Under Relative income theory of consumption, spending attained in previous period. Life cycle theory of consumption and permanent income theory of consumption emphasize on the expected future income and the education of financial matters, whereas Social learning theory hypothesizes parents and other influential individual. Building up the above theories, factors to consider in this research as an independent variables are product usage and purchasing power, social status, promotional approaches and prestige.

2.3 Product Usage and Purchasing Power

Product usage and purchasing power play an important role in spending habits of college students. The duration, frequency and amount of products being used show the product usage (Karwowsk et al., 2011), whereas people who have bigger purchasing power may tends to spend more , especially on expensive products (Enrico et al., 2014).

Agustia (2012) claimed that fulfilling desire and purchasing power are the key factors that influencing the spending habits of college students. Pinto et al. (2005) found that family structure played an important role, especially education from parents about proper spending habits. Education on product usage and purchasing power will cultivate a healthy spending habits. The finding of the research conducted by Norvilitis et al. (2006) was more financial knowledge will lead to less likely they are to be in debt. Besides, in a study by Schreiber as cited in Karki (2000), price consciousness, quality consciousness, original, unusual decision, planned decision and non-conformist decision are the criteria that must be taken into consideration when studying consumer spending habits. Hotpascaman (2008) mentioned that usage of product influences spending habits in view that different people have their different perspective about the lifespan of the goods. For example, certain people tend to buy another smartphone while their smartphone still can be used. Agustia (2012) concluded that purchasing power is affecting spending habits because being given more money to the college students by parents makes them nowadays more consumptive. In addition, Enrico et al. (2014) stated that college students' spending habits driven by product usage and purchasing power. They found that when people buy a product they tend to buy another product at the same time and majority of the respondents replied that their buying decision is based on financial power and purchasing power. It shows that fulfilling desire is the most dominant factor that influences the spending habits. In view of the above findings from the previous researchers, there is a

need for the researcher to identify the relationship between product usage and purchasing power and college students' spending habits.

2.4 Social Status

Social status is determined by income and other factors such as qualification, education, wealth, occupation and reference group. According to Sunny (2011), spending habits deeply affected by social status, especially influence by reference groups, family, role and status. Pierre (1958) argued that a person spending pattern was affected by income, age, and gender and class position. The class position is influence by the influencing group such as family, colleague and friends, whereas Moore et al. (2002) identified three main key factors affecting spending habits, namely parents, peers and mass media. Besides, Wilson, et.al (2005) and Borden et al. (2008) have the same findings where college students' spending habits driven by social status and satisfaction. Apart from that, Asifo (2010) mentioned that the identification of social class is vital to the marketers because marketing activities could be tailored according to different social classes. Besides, Enrico et al. (2014) argued that an individual who have higher status will buy the goods with higher price even though the price of goods decrease. This phenomena happen because high social status people tend to show their prestige which is different from others

(Hotpascaman, 2008). Besides, Hawkins et.al (1998), as cited by Rajennd (2014) stated that the social status is a part of inherited individual characteristics that are moulded from the social interaction experience as consumers' progress through the family lifestyle. In this situation, people have higher social status has more purchasing power and strong consumptive behaviour. In view of the above findings from the previous researchers, there is a need for the researcher to identify the relationship between social status and college students' spending habits.

2.5 Promotional Approaches

According to Rajennd et al. (2014), decision-making has become more complex due to the rapid change of the competitive global business environment and consumers are being exposed to advertising campaigns, promotional approaches and direct mailing that feed abundant information. Millman (1986) argued that positive effect induced by unexpected price drops might increase spending by expanding the consideration of other goods. Karen et al. (2010) conducted a study to investigate the effects of promotional saving on both planned and unplanned spending, and how does it varies according to income level. The results of the research showed that the promotional on unplanned grocery items would attract customers to spend more and this increased with the higher income level. Apart from that, Ajay et al. (2010) also examined sweepstakes reward structures that maximize consumers' valuation. The results of the said research showed that by having sweepstakes, consumers are tend to spend more in order to increase the probability of winning grand prize. Besides, Alireza et al. (2011) concluded there is a positive relationship

between spending habits among college students and promotional approach. They acknowledged that the unexpected price discount result in higher expression of willingness to pay for unrelated products. In view of the above findings from the previous researchers, there is a need for the researcher to identify the relationship between promotional approaches and college students' spending habits.

2.6 Prestige

According to Chris (2015), millennial spending habits driven by technology and altruism. Brands served as a way of building trust and loyalty with this extremely essential and influential demographic. Daniels (2007) stated that college students are independent, non-traditional and sophisticated, brand and fashion conscious. The research conducted by Cude et al. (2006) concluded that peer pressure and the thrill of an expensive purchase as a "status symbol" were influenced the spending habits. Apart from that, Leclerc (2012) explored the key factor contributing to spending habits in college students was social pressures. According to Leclerc (2012), students who are exposed to a culture where it is acceptable to overspend may have greater risk on over spending. Enrico et al. (2014) concluded that prestige become one of the key factor creating spending habits where college students become more consumptive in order to maintain the prestige. In addition, Rajennd et al. (2014) concluded that lifestyle of the Malaysian college students have a positive relationship with the

spending habits and demonstrate how they think, live, act and behave. A report shows an overall shift in the spending habits of young, especially college students, which may be attributed to extra spending money among the young. They spend most of their money in luxurious and branded products, entertainment and dining. They like to go to high end café and restaurants such as Starbuck and Friday. Furthermore, the committed shoppers segment is primary female, younger in age, with high school education and with a diverse income level. In view of the above findings from the previous researchers, there is a need for the researcher to identify the relationship between prestige factor and college students' spending habits.

2.7 Research Model and Hypothesis

The literature review discussed above has provided an overview of the theoretical framework that guides this research. In this study, spending habits serving as dependent variable and four factors, namely product usage and purchasing power, social status, promotional approaches and prestige factor serving as independent variables. Therefore, hypothesis were developed to identify the relationships between spending habits and all the above four factors.

2.8 Chapter Summary

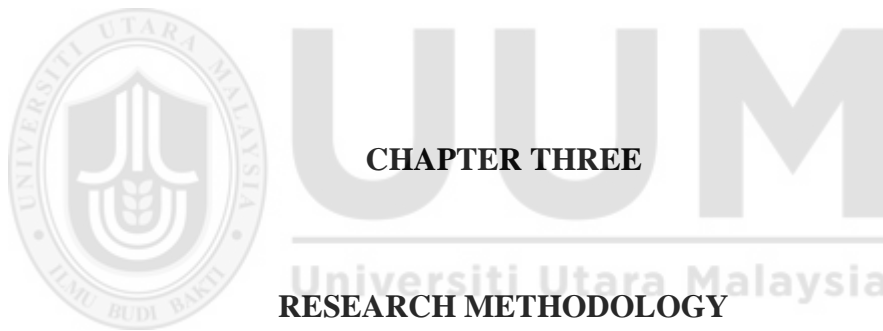
Chapter two in overall explained the theories and findings from the previous researches related to factors influencing spending habits. It served as a base to guide the development of this research framework. Relative Income Theory of

Consumption states that an individual's attitude to consumption and savings is dictated more by his income and the standard of living. Life Cycle Theory of Consumption hypothesizes that it is logic and rational that student will be overspent and believed that they will be able to smooth their consumption accordance to their future income over their lifetime. Permanent Income Theory of Consumption attempting to describe an individual's consumption is determined by their current income and also their expected future income, whereas Social Learning Theory viewed as a learned behaviour often transmitted by the influential individuals, especially parents, friends and peers.

Besides, there are various factors influencing spending habits of college students which was conducted by the previous researchers. Enrico et al. (2014) denotes that the factors that influenced the spending habits driven by product usage, purchasing power and prestige. Asifo (2010) mentioned that social class is essential to the marketers because marketing activities could be tailored according to different social classes. In addition, Rajennd et al. (2014) concluded that lifestyle of the Malaysian college students have a positive relationship with the spending habits and demonstrate how they think, live, act ad behave. Besides, Alireza et al. (2011) concluded there is a positive relationship between spending habits among college students and promotional approach.

At the end of this chapter, hypothesis were developed to study the relationships between spending habits and four independent variables, namely product usage and purchasing power , social status, promotional approaches and prestige

factor in order to understand the factors affecting students' spending habits in Malaysia.



3.0 Introduction

This chapter described the research methodology. The purpose is to maximise valid answers to a research questions. This chapter covers research framework, hypothesis or propositions development, research design, operational definition, measurement of variables/instrumentation, data collection, sampling, data collection procedures and techniques of data analysis. At the end of this chapter, pilot test has been conducted as a pre-exercise in order to orientate and provide insight into the phenomenon.

3.1 Research Framework

Burns and Grove (2003) define a research framework as “A blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”. The dependent variable is spending habits, which is the variable of primary interest. The important relationships that are theorised to exist among the variables have been incorporated in this research framework, in which is to be explained by the four independent variables, namely product usage and purchasing power, social status, promotional approaches and prestige factor. The theorised relationships are shown in the following schematic diagram, figure 3.1:

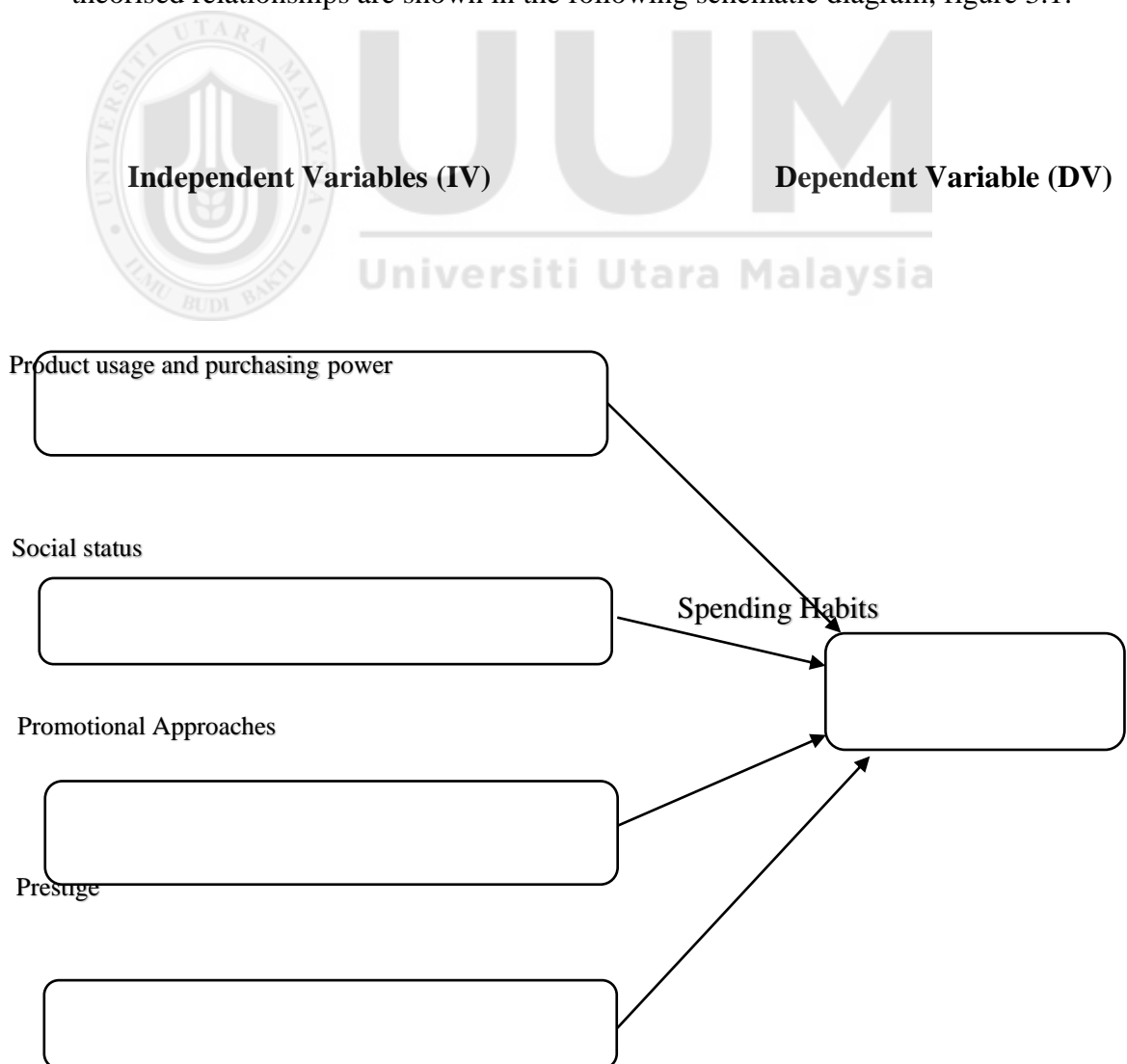


Figure 3.1
Theoretical Framework

3.2 Hypothesis / Propositions Development

A Scientific Hypothesis has been used in this research. It refer to a trial solution or “educated guess” to a problem as a hypothesis because it provides a suggested solution based on the evidence. According to Sekaran (2001), there are eight hallmarks that need to be considered, namely purposiveness, rigour, testability, replicability, accuracy, objectivity, generalisability and parsimony. The reason for using this method is it involving simply collecting and analysing data would produce test results that can be applied to solve the problem (Sekaran, 2001). In this survey, the researcher have formulated the following testable statements.

3.2.1 Product Usage and Purchasing Power

Nowadays, parents are more generous to their children in term of monetary needs. College students will have more money that they basically needs. Being given more money makes the college students nowadays more consumptive (Agustia, 2012). Karwowsk (2011) said different people will have their own perspective about how long the goods can be used. Certain people will buy a latest model of smartphone while the existing smartphone still can be used (Hotpascaman, 2008). According to Enrico et al. (2014), people who have bigger purchasing power may tends to spend. Enrico et al. (2014) and Agustia (2012) concluded that purchasing power is affecting spending habits because being given more money to the college

students by parents makes them nowadays more consumptive. Thus, the hypothesis below is contracted.

H1: There is a significant relationship between product usage and purchasing power and spending habits of students' in Malaysia.

3.2.2 Social Status

Normally, people have higher status will have more purchasing power. Sunny (2011) argued that spending habits deeply affected by social status, especially influence by reference groups, family, role and status. Enrico et al. (2014) concluded that an individual who have higher status still will buy the goods with higher price even though the price of goods decrease. Hawkins (1998) said social status is part of inherited individual characteristics that are moulded and formed from the social interaction experience. Besides, Wilson et al. (2005) and Borden et al. (2008) also concluded social status is affecting the spending habits. Therefore, the hypothesis below is contracted.

H2: There is a significant relationship between social status and spending habits of students' in Malaysia.

3.2.3 Promotional Approaches

Janakiraman et al. (2006) argued that positive affect induced by unexpected price drops might increase the spending of other products. Arkes et al. (1994) acknowledged that the unexpected price discounts expressed in an increased of their willingness to pay for unrelated products. Karen (2010) also concluded the promotional on unplanned items would attract consumers to spend more, especially for those who are fall into the higher income category. Ajay et al. (2010) informed that an individual tends to spend more in order to increase the probability of winning grand prize. Apart from that, Alireza et al. (2011) indicated that promotional approaches is affecting the spending habits. In addition, Rajennd et al. (2014) argued that college students' are exposed to advertising campaign and promotional approaches which will influence their spending habits. Thus, the hypothesis below is contracted.

H3: There is a significant relationship between promotional approaches and spending habits of students' in Malaysia.

3.2.4 Prestige

A person's emotional state, mood and self-feelings can be recognised as a person affective state (Youn, 2000). Hotpascaman (2008) argued that rich people tend to show their prestige which different with another status. Chris (2015) concluded that the young adults' spending habits driven by technology and altruism. They

will spend without consider the income. Leclerc (2012) argued that students are exposed to social pressure and there is a risk of over spending in order to maintain their prestige status. Besides, Enrico et al. (2014) and Rajennd et al. (2014) also concluded that the lifestyle of the college students have a positive relationship with the spending habits. As a result, the hypothesis below is contracted.

H4: There is a significant relationship between prestige and spending habits of students' in Malaysia.

3.3 Research Design

The combination of quantitative and qualitative approach have been used in this research. The primary data collection method used in this research is a quantitative approach by spreading questionnaires which is in the form of closed-ended questions and open questions. (Sekaran, 2001). The rationale for choosing spreading questionnaire is to avoid embarrassment of participants. All the questions that related to the independent variables are in closed-ended questions which provide exact information needed, high validity and easy to compare and analyse. This method is useful for exploration as well as confirmation and to prevent interview bias (Sekaran, 2001). Only two open questions have been asked in the demographic profile which is a well-placed questions. The secondary data collection method used is a qualitative approach in which the data was gathered

from text books, journals, government publications, online business magazine and articles.

The research guide comprised of five major sections measuring respondents' demographic and factors influence the spending habits, namely product usage and purchasing power, social status, promotional approaches and prestige factor. Upon completion of the questionnaire surveys, the independent and dependent variables were then be analysed using Statistical Package for Social Science version 22 ("IBM SPSS").

3.4 Operational Definition

1. Arnett (2000), as cited by Todd (2011) defines college student or young adult, is generally a person in the age range of 18 to 25 who receive a higher learning education. Thus, these group of people are categorised as part of Generation Y. There do not have precise dates when the generation starts and ends, the researchers use birth years ranging from the early 1980s to early 2000s (Time magazine, 2013).
2. Kotler (2000) stated that spending habits studies how individuals select, buy, use and dispose of the goods or services in order to satisfy their needs and desires. It is the act of disbursing money in response to an action and the satisfaction of needs and wants.

3. Vitt et al (2000) defines financial literacy as the ability to interpret, analyse, and manage the personal financial matters in order to thrive in the complex financial world. It affect material well-being, develop independent judgments and take reasonable actions as and when require.
4. Aiguier et al. (2010) interprets product usage is the lifespan of the goods used.
5. Enrico et al. (2014) describes purchasing power as the money that individual have to buy goods with. He explained that people will have bigger purchasing power when they have bigger amount of money.
6. Pujiastuti (2007) defines social status as position give to people in society. According to Asifo (2010), social status is determined by income and other factors such as qualification, education, wealth and occupation.
7. Youn and Faber (2000) interprets promotional approach as the marketing cues or strategy that are placed and controlled by the marketer in attempt to lure people into purchase behaviour in order to generate sales and create brand loyalty.
8. Daniel (2001) defines prestige as image effects resulted from personalities, i.e. widespread respect and admiration felt for someone on the basis of a perception of their achievement or quality.

3.5 Measurement of Variables/Instrumentation

This study used the quantitative approach and we have identified five dimensions and its elements. The survey instrument was a self-administrated questionnaire, developed through adaptation and adoption. According to Sebastian (2007), adopting individual questions from established questionnaires is an effective and efficient measuring instrument in view that the questionnaires had a good stability, sensitivity, reliability and validity. However, a modification or adaptation of different items might be necessary in order to improve the credibility of the research findings (Saunders et al., 2003). Data was collected by means of survey format, i.e. spreading questionnaires and in form of open and closed-ended questions that comprised of five sections, namely demographic profile, product usage and purchasing power, social status, promotional approaches and prestige. A total of 34 Questions have been asked. 14 questions (question 1 to question 14) have been asked in demographic profile section and 20 questions (question 15 to question 34) have been asked based on the formulated testable statements.

In the demographic profile section, 2 open questions and 12 closed-end questions have been asked, whereas in the formulated testable statements section, all the closed-end questions have been asked. Question 1 to 14, 23, 24, 29, 30, 31, 33 and 34 was based on adaptation for the study. Question no. 15 to 22, 30 and 32 adopted from Enrico et al. (2014), whereas question no. 25 to 28 were adopted from Alreza et al. (2011). The reliability of the scale was assessed using Cronbach Alpha Coefficient before adoption of the questionnaire from the previous

researchers. According to Field and Miles (2010), the data is reliable if the Cronbach's Alpha value is bigger than 0.70, otherwise the data is not reliable. Research questionnaire have been derived based on the content validity used previous studies. All the components shown in Table 3.1 are bigger than 0.70, therefore the adoption of the data from the previous researchers are valid. (Field & Miles, 2010).

Table 3.1
Reliability Test – Cronbach's Alpha

| Sections | Components | Cronbach's Alpha | No. of items |
|----------|-------------------------------------|------------------|--------------|
| 1 | Demographic profile. | N/A | 14 |
| 2 | Product usage and purchasing power. | 0.824 | 5 |
| 3 | Social status | 0.745 | 5 |
| 4 | Promotional approaches | 0.802 | 5 |
| 5 | Prestige | 0.720 | 5 |

Source : Adoption of the questionnaires from the previous researchers, namely Aldo Enrico, Ritchie Aron, Weriyen Oktavia (2014) and Alreza Karbasivar and Hasti Yarahmadi (2011)).

3.5.1 Demographic Profile

A total of fourteen questions have been asked in this section. An analysis of the demographic profile indicated that our sample comprised of college students age 17-22 years old with various useful information for better understanding of the study and also future research. 12 questions are closed-end questions and 2 questions are open question (question 9 and 10).

1. Age.
2. Gender.
3. Marital status.
4. Race.
5. Which state are you come from?
6. Which is the major field of study.
7. What is your father's highest education attained?
8. What is your mother's highest education attained?
9. Your father's primary occupation.
10. Your mother's primary occupation.
11. Which income zone is your parents' monthly income included?
12. Amount (RM) and percentage (%) of monthly income that being spent?
13. Do you allocate money for emergency?
14. Do you consistently spend more than you earn/have?

3.5.2 Product Usage and Purchasing Power

A total of five questions have been asked to describe the spending habits of college students driven by product usage and purchasing power. All the questions are closed-end questionnaires, namely:

1. Buying decision influence by advertising.
2. Buying decision based on financial power.
3. Buying product using own money or saving.
4. Buying product without using it.
5. Buying product for collection.

3.5.3 Social Status

A total of five straightforward questions have been asked to describe the spending habits of college students driven by social status. All the questions are closed-end questionnaires, namely:

1. I will buy product that usually used by mid-high level person.
2. I will buy product that have good reputation.
3. Feeling inferior if do not have good product.
4. I always spend more than I can afford due to social status.
5. Parents' asked to buy only branded product.

3.5.4 Promotional Approaches

A total of five questions will be asked to describe the spending habits of college students driven by promotional approaches. All the questions are closed-end questionnaires, namely:

1. I will buy product if I can get free product.
2. Free product can be reason to induce me for impulse buying.
3. I will buy product with discount price.
4. I tend to buy impulse if I see discount is offered.
5. I always spend more than I can afford due to promotion given.

3.5.5 Prestige

A total of five questions will be asked to describe the spending habits of college students driven by prestige. All the questions are closed-end questionnaires, namely:

1. I will buy expensive product to show prestige.
2. Feeling arrogant in buying product that have good reputation.
3. Family always remind to buy good and quality product.
4. The most important thing for me is the image of store in buying goods.
5. I always spend more than I can afford due to peer pressure.

3.6 Data Collection

3.6.1 Primary Data Collection

Targeted population in this research is the college students, age between 17 to 22 years old. A total of 384 set of survey questionnaires have been distributed in Klang Valley to reflect the target population. The researcher focuses on this group of population because it represents 40.9% of total population of youth adults in Malaysia, ranging age 15 to 39 years old (Department of Statistics Malaysia, 2015). Thus, the range of age is valid and is be able to represent the young adults in Malaysia. Moreover, this sample was chosen from the college students that currently studying in the university, namely Tunku Abdul Rahman University College and Taylor's University which is located in Klang Valley. The researcher selected Klang Valley because it is located in Kuala Lumpur and adjoining cities and towns in the state of Selangor. In term of population, Selangor was the most populous state, represent 19% (5.46 million) and Wilayah Persekutuan Kuala Lumpur represent 6% (1.67 million) of Malaysia population. In total, it represent 7.13 million, i.e. 25% of total Malaysia population of 28.33 million which is appropriate to represent the general students' population in Malaysia.

3.6.2 Secondary Data Collection

Data for literature review and problem statement were gathered from secondary data. It comprised from text books, statistic bulletins, government publications, journals, online business magazine, online articles and online newspaper. According to Sekaran (2001), data gathered through such existing sources can

be obtained and do not have to be collected by the researcher. In this study, the statistic information derived from the bulletins published by Bank Negara Malaysia and archive materials data derived from the Department of Statistics Malaysia and the Economic Planning unit. In addition, other types of information obtained from the test books, journals and newspaper.

3.7 Sampling

According to Sekaran (2001), sampling is the process of selecting a sufficient number of elements from the targeted population in order to generalise the properties or characteristics to the population elements based on the understanding of the properties or characteristics of the sample subject. In this study, the targeted population are the Malaysian college students', age between 17-22 years old. A total of 384 samples of survey questionnaires have been distributed in Klang Valley to reflect the target population. The determination of the number of survey questionnaires are based on the sample size defined by Sekaran (2001) in which Krejcie and Morgan (1970) have simplified the sample decision by providing a table that ensures a good model. This table provides generalised scientific guidelines for sample decisions. Based on this table, if the population is 1,000,000 and above, the sample size shall be 384. As a result, the researcher used 384 samples in view of the targeted population of 7.13 million.

Convenience Random Sampling was chosen in view that this is the best way of collecting information from members of the population who are conveniently available to provide it, In addition, the data can be collected quickly and

efficiently (Sekaran, 2001). In this study, the selected respondents are those currently studying in the Tunku Abdul Rahman University College and Taylor's University that can provide data representative of the population from which it is drawn.

3.8 Data Collection Procedures

3.8.1 Questionnaire Design

Survey Questionnaire used in order to derive the opinions of the respondent in a structural manner. It will be designed using English language. The questions will be formulated based on the adaptation for this study and adoption from the previous researchers of which the Cronbach Alpha Coefficient value is bigger than 0.70 (Field & Miles, 2010). Table 3.2 shown that the questionnaire will be divided into five sections, namely demographic profile, product usage and purchasing power, social status , promotional approaches and prestige. A total of 384 questions have been asked. Category scale and dichotomous scale have been used to gather all demographic variables in section one. The category scale uses multiple items to elicit a single question (Sekaran, 2001) and applied for age, gender, marital status, state, major field of study, parents' education attained and income and percentage of money spend by the college students, whereas dichotomous scale is used to elicit a yes or no answer on the allocation of money for emergency and consistently spend more than they have. At the same time, the researcher also applied the category scales prepared by Zikmund (2000) for the rest of the sections which is section two to section five. The frequency scale have

been used, namely never, rarely, sometimes, often and always. Numbers have been assigned to the different categories in order to examine how strongly subjects agree or disagree with statements on a five-point scale (Sekaran, 2001). The mid-point in this study is “sometimes” which is a passing level. The responses over a number of items tapping a particular variable are then totalled for every respondent.

Table 3.2
Survey Questionnaires Design

| Section | Factors | No. of Questions items | |
|---------|-------------------------------------|------------------------|---------|
| 1 | Demographic Profile. | 14 | 1 – 14 |
| 2 | Product Usage and Purchasing Power. | 5 | 15 – 19 |
| 3 | Social Status | 5 | 20 – 24 |
| 4 | Promotional Approaches | 5 | 25 – 29 |
| 5 | Prestige factor | 5 | 30 – 34 |

3.8.2 Questionnaire Distribution

The method of questionnaire distribution is by personally administered questionnaires' method and electronic questionnaires method. 95% of the questionnaires is collected by the researcher personally and 5% is collected through the reply from e-mail. Personally administered questionnaires allowed the researcher to establish rapport and provide clarifications sought by the targeted

respondents on the spot as well as collected the questionnaires immediately after they are completed (Sekaran, 2001). At the same time, the researcher also used the electronic questionnaire in order to obtain the data from the respondents who are not able to answer on the spot (Sekaran, 2001). In this study, a total of 384 samples of survey questionnaires were completed and collected within a period of two weeks.

3.9 Techniques of Data Analysis

Statistical Package for Social Science version 22 (“IBM SPSS”) software used to analyse the data. The researcher performed a range of analyses from the basic crosstabs and frequency analyses, to the more advanced procedures that include factor analysis and multiple regression analysis.

Firstly, descriptive statistic tests is generated from IBM SPSS and used to explore the data collected and data error check. Standard Deviation (“SD”) and Standard Error (“SE”) is used to provide additional insight on how far the individual responses to a question vary from the mean. SD indicates the shape of the distribution and how close the individual data values are from the mean value. Z-scores will be inspected in order to study the tenability of SD. According to Sheridan J Coakes and Clara Ong (2011), Z-scores greater than +3 and less than -3 are considered to be outliers. At the same time, SE will be observed in order to study how close our sample mean is to the true mean of the overall population. Thus, it will be able to provide a more complete picture. (Sekaran, 2001).

Secondly, Normality test is conducted as a prerequisite for inferential statistical techniques which served as data screening and transformation. “Skewness and Kurtosis” method applied to access the normality distribution (Sheridan J Coakes and Clara Ong, 2011). A symmetrical distribution has a skewness of zero. A positive skew is an asymmetrical distribution with a long tail to the right, whereas negative skew is an asymmetrical distribution with a long tail to the left. A Gaussian distribution has a kurtosis of zero. A positive kurtosis denotes a distribution more peaked than a Gaussian and a negative kurtosis indicates a flatter distribution. According to George & Mallery (2010), the values for asymmetry and kurtosis between -2 and +2 are considered acceptable in order to prove normal univariate distribution (Sheridan J Coakes and Clara Ong, 2011).

Thirdly, Frequency Test will be conducted in order to understand the demographic characteristics of the respondents. Fourthly, the Validity Test used to test whether the variables are valid or not. Kaiser-Meyer-Olkin (“KMO”) have been conducted to test the validity. According to Warnars & Pradel (2007), the validity test is valid if the KMO is equal or more than 0.50 and the percentage of cumulative in Rotation Sums of Squared Loadings must be greater than 0.60.

Fifty, factor analysis used to study the correlation between the variables and factors. In this study, the researcher applied Varimax Rotation which was developed by Kaiser (1958). The rationale behind is to reduce the number of complex variables and to gain a cleaner interpretation. The following guidelines have been used to interpret the strength of association (Deborah, 2009).

| | Positive Coefficient | Negative Coefficient |
|--------|-------------------------|-------------------------|
| Small | 0.1 to 0.3 | -0.1 to -0.3 |
| Medium | 0.3 to 0.5 | -0.3 to -0.5 |
| Large | 0.5 to 1.0 | -0.5 to -1.0 |

Figure 3.2

Strength of Association Guideline (Deborah J. Rumsey, 2009)

Lastly, Reliability Test is conducted in order to test the degree in which a measurement is free of random or unstable errors. Cronbach's Alpha Coefficient have been used for reliability test in order to access internal consistency within the scaled questionnaire items. If the Cronbach's Alpha value is bigger than 0.70, it indicates the data is reliable, otherwise the data is unreliable (Field & Miles, 2010).

3.10 Pilot Test

Pilot test has been conducted as a pre-exercise in order to orientate and provide an insight into the phenomenon. It aims to rectify the errors at little costs (Sekaran, 2001). Thirty participants have been selected who met the selection criteria in order to enhance the quality of the research.

3.10.1 Descriptive Statistics

Table 3.3

Descriptive Statistics Test for components

| | Statistic | Std. Deviation | Std. Error | Z-scores |
|---------|-----------|----------------|---------------|------------------|
| Valid N | 30 | 0.681 – 1.475 | 0.124 – 0.270 | Ranging -3 to +3 |

Table 3.3 provides Descriptive Statistics Test for components. Standard Deviation is ranging from 0.681 to 1.475 level indicates that the shape of the distribution and the variation between the individual data values and the mean value is normal. Z-scores results shown that the data is within the internal limits of z-scores (Sheridan J Coakes and Clara Ong, 2011). In addition, Standard Errors is ranging from 0.124 to 0.270 level which provides a valuable descriptive measure (Appendix 4).

3.10.2 Normality Test

Table 3.4
Descriptive Statistics – Skewness and Kurtosis

| | N | Skewness | Kurtosis |
|---------|-----------|------------|------------|
| | Statistic | Std. Error | Std. Error |
| Valid N | 30 | 0.427 | 0.833 |

Table 3.4 shown that Skewness and Kurtosis value are considered acceptable and proved normal univariate distribution. The details test results also indicates that the test results is acceptable in view that kurtosis between -2 to +2 levels (Appendix 5). This is in line with the statement made by George & Mallery (2010) in which the values for asymmetry and kurtosis between -2 and +2 are considered acceptable.

3.10.3 Validity Test

As examination of the correlation matrix which is shown in Appendix 6 indicates that a considerable number of correlation which is exceeded 0.3. As such, the matrix is suitable for factor analysis.

Table 3.5

KMO and Bartlett's Test - Overall

| KMO and Bartlett's Test | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | |
| | | .684 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 622.022 |
| | Df | 190 |
| | Sig. | .000 |

According to Warnars & Pradel, 2007, the validity test is valid if the Kaiser-Meyer-Olkin ("KMO") is equal or more than 0.50. Table 3.5 shows that the Bartlett test of sphericity is significant and the KMO measure of sampling adequacy is 0.684 which is greater than 0.5.

Table 3.6

Communalities

| Item | Initial | Extraction | Result |
|------|---------|------------|--------|
|------|---------|------------|--------|

| | | | |
|----|-------|-------|-------|
| 15 | 1.000 | 0.787 | Valid |
| 16 | 1.000 | 0.856 | Valid |
| 17 | 1.000 | 0.767 | Valid |
| 18 | 1.000 | 0.789 | Valid |
| 19 | 1.000 | 0.819 | Valid |
| 20 | 1.000 | 0.755 | Valid |
| 21 | 1.000 | 0.868 | Valid |
| 22 | 1.000 | 0.749 | Valid |
| 23 | 1.000 | 0.862 | Valid |
| 24 | 1.000 | 0.646 | Valid |
| 25 | 1.000 | 0.734 | Valid |
| 26 | 1.000 | 0.840 | Valid |
| 27 | 1.000 | 0.695 | Valid |
| 28 | 1.000 | 0.860 | Valid |
| 29 | 1.000 | 0.899 | Valid |
| 30 | 1.000 | 0.912 | Valid |
| 31 | 1.000 | 0.767 | Valid |
| 32 | 1.000 | 0.524 | Valid |
| 33 | 1.000 | 0.767 | Valid |
| 34 | 1.000 | 0.898 | Valid |

Table 3.6 shows the Validity test result for each of the variables. The test result indicates that all the variables are passing the validity test and ready to test the reliability.

3.10.4 Factor Analysis

Table 3.7
Total Variance Explained-Initial Eigenvalues

| Component | Total | % of Variance | Cumulative % |
|-----------|--------|---------------|--------------|
| 1 | 11.054 | 55.271 | 55.271 |
| 2 | 2.188 | 10.942 | 66.213 |
| 3 | 1.453 | 7.264 | 73.478 |
| 4 | 1.099 | 5.496 | 78.973 |

The factor matrix is a matrix of loadings or correlations between the variables and factors. Table 3.7 shows the factors and their associated eigenvalues. The result indicates that four factors to be extracted because they have eigenvalues greater than 1 which represent 78.973% of the total variance explained (Appendix 7). According to Warnars & Pradel (2007), the percentage of cumulative in Rotation Sums of Squared Loadings must be greater than 60% in order to pass the validity test. Since the percentage of cumulative of Rotation Sums of Squared Loadings is 78.973% which is greater than 60%, the researcher confirmed that the variable is passing the validity test. The test results shown that component 1 had an eigenvalue of 11.054, whereas component 2, 3 and 4 had an eigenvalue of 2.188, 1.453 and 1.099 respectively. It can be confirmed by Scree Plot which is shown in Figure 3.3, i.e. there are four predominant factors that influencing spending habits of college students.

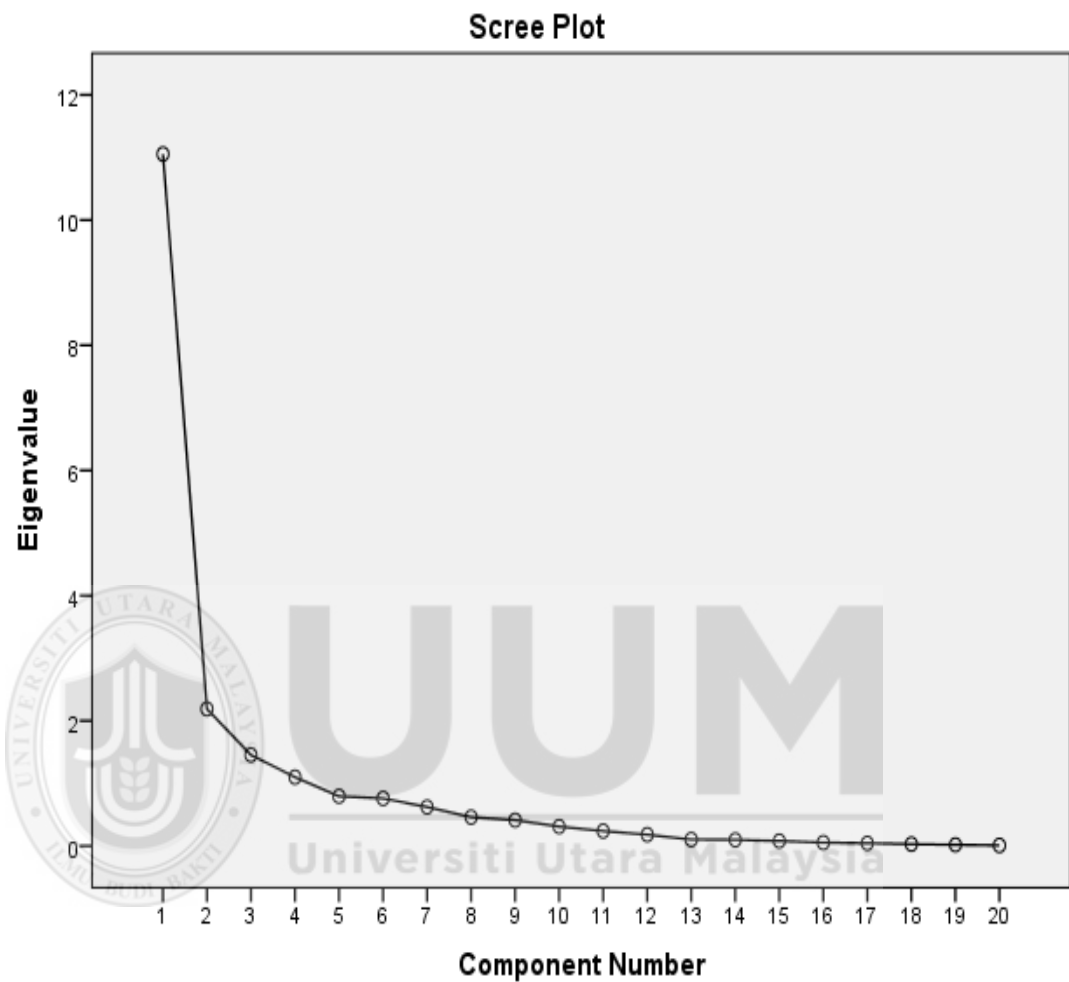


Figure 3.3
Scree Plot – Eigenvalues

Table 3.8
Rotated Component Matrix

| Item | Component | | | |
|------|-----------|---|---|---|
| | 1 | 2 | 3 | 4 |

| | | | | |
|----|-------|-------|-------|-------|
| 29 | 0.874 | | | |
| 22 | 0.823 | | | |
| 23 | | 0.509 | | |
| 34 | 0.746 | | | |
| 31 | 0.758 | | | |
| 30 | 0.665 | | | |
| 15 | | | | 0.312 |
| 17 | | | 0.341 | |
| 18 | | 0.718 | | |
| 24 | | 0.647 | | |
| 19 | | 0.703 | | |
| 25 | | | | 0.327 |
| 33 | 0.514 | | | |
| 28 | | | 0.857 | |
| 27 | | | 0.801 | |
| 21 | 0.585 | | | |
| 20 | | 0.516 | | |
| 26 | | | 0.607 | |
| 32 | 0.453 | | | |
| 16 | | | | 0.922 |

Table 3.8 explains the rotated component matrix. The researcher used it as a base to conduct reliability test. First component, primarily a measure of prestige factor comprises eight items, namely 29, 22, 34, 31, 30, 33, 21 and 32. Second component, primarily a measure of social status, comprises five items, namely 23, 18, 24, 19 and 20. Four items in the third component which primarily measure promotional approaches are 17, 28, 27 and 26. The last component which primarily measure product usage and purchasing power comprises three items which is 15, 25 and 16.

3.10.5 Reliability Test

Table 3.9
Reliability Tests For Components

| Components | Cronbach's Alpha | N of Items |
|--|------------------|------------|
| Component 1 – Prestige Factor | 0.938 | 8 |
| Component 2 - Social Status | 0.888 | 5 |
| Component 3 - Promotional Approaches | 0.807 | 3 |
| Component 4 – Product Usage and Purchasing Power | 0.667 | 3 |
| Overall | 0.955 | 19 |

Table 3.9 shows that the Cronbach's Alpha value is greater than 0.70 (Field & Miles, 2010) for component 1 (0.938), 2 (0.888) and 3 (0.807) which indicates that the data is reliable. One of the item in component 3, namely "Buying product using own money or saving" has been deleted in order to improve Cronbach's Alpha from 0.592 to 0.807. Even though the Cronbach's Alpha for component 4 is 0.667, but the data is still considered to be acceptable because it is greater than 0.60 (Yong et al., 2007).

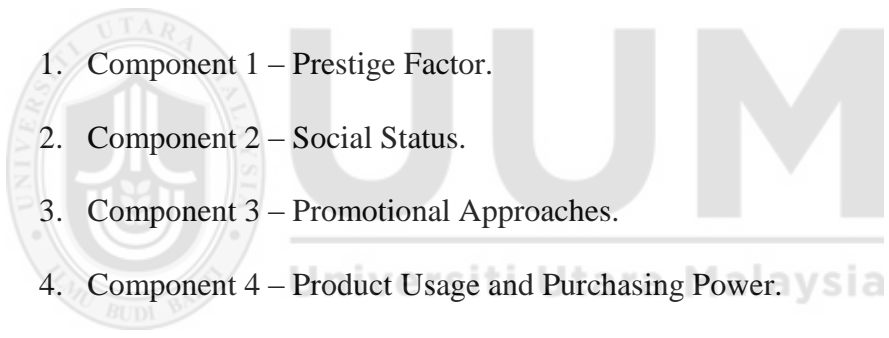
Based on the above pilot test results, the researcher concluded that all the variables had a good stability, sensitivity, reliability and validity. Therefore, a total of 384 samples of questionnaires will be distributed to the rest of the targeted respondents.

3.11 Chapter Summary

In overall, this chapter explained in details about the method used in this study, from research framework and design, development of hypothesis, data collection, independent and dependent variables used and type of analysis conducted to analyse the data collection. One dependent variable (spending habits) and four independent variables (product usage and purchasing power, social status, promotional approaches and prestige) have been determined in the theoretical framework. Data collected by means of Likert-type survey questionnaire format and the questions formulated based on the adaptation for the study and the adoption from the previous researchers. The sample size is 384 and the survey questionnaires were distributed to the college students in Klang Valley, age between 17 to 22 years old.

Statistical Package for Social Science version 22 software has been used to analyse the data. Techniques of data analysis starts with Descriptive Statistic, followed by Normality Test and Frequency Test in order to access the data error and demographic analysis. Subsequently, Validity Test will be conducted in order to test the validity of the variables using Kaiser-Meyer-Olkin (“KMO”) method. Afterwards, the factor analysis had been conducted to study the correlation between the variables and to identify factors that influences students’ spending habits. Lastly, reliability of the scale was assessed using Cronbach Alpha Coefficient in order to test the reliability of the data and the benchmark used is 0.70 (Field & Miles, 2010).

At the end of this chapter, pilot test have been commanded to rectify the errors at little costs. Thirty participants have been selected. In the Descriptive Statistic Test, Standard Deviation is ranging from 0.681 to 1.475 level and Standard Errors is ranging from 0.124 to 0.270 level which provides a valuable descriptive measure, The Normality test results is acceptable in view that kurtosis result is between -2 to +2 levels. (George & Mallery, 2010). The KMO shown is 0.684 which is more than 0.50 and the percentage of cumulative in Rotation Sums of Squared Loadings is 78.973% which is greater than 60%. The pilot test results shown that there are four predominant factors had a statistically significant relationship with students' spending habits, namely:

- 
1. Component 1 – Prestige Factor.
 2. Component 2 – Social Status.
 3. Component 3 – Promotional Approaches.
 4. Component 4 – Product Usage and Purchasing Power.

Lastly, all the data is reliable because the Cronbach's Alpha value is bigger than 0.60. (Yong et al., 2007) and the researcher concluded all the variables had a good stability, sensitivity, reliability and validity.

CHAPTER FOUR

RESULTS AND FINDINGS

4.0 Introduction

This chapter presents the analysis of the findings of the study. The beginning of this chapter explains the findings using Descriptive Statistic, Normality Test and Frequency Test for data errors check and demographic analysis. Second part of this study is to conduct Validity Test and Factor Analysis in order to test the validity of the variables and at the same time to identify the factors influencing spending habits among students in Malaysia. Lastly, Reliability Test will be conducted in order to test the degree to which a measurement is free of random or unstable errors.

4.1 Descriptive Statistics

Table 4.1
Descriptive Statistics Test for components

| | Statistic | Std. deviation | Std. Error |
|---------|-----------|----------------|-------------|
| Valid N | 384 | 0.832-1.254 | 0.042-0.064 |

Table 4.1 provides an insight view on how close the sample mean is to be true mean of the overall population. The results shown that the Standard deviation is ranging from 0.832 to 1.254 level, whereas Standard Error is ranging from 0.042

to 0.064 level which provides a valuable descriptive measure (Appendix 8). Besides, Z-scores results shown that the data is within the internal limits of z-scores (Sheridan et al., 2011).

4.2 Normality Test

Normality test results summarised in Table 4.2 which indicates that the test results is acceptable in view that kurtosis fall between -2 and +2 levels. (George & Mallery, 2010). The test result is shown in Appendix 9.

Table 4.2
Descriptive Statistics – Skewness and Kurtosis

| | N | Skewness | Kurtosis |
|---------|-----------|------------|------------|
| | Statistic | Std. Error | Std. Error |
| Valid N | 384 | 0.125 | 0.248 |

Besides, the Kolmogorov-Smirnov Goodness test (Chakravart et al., 1967) used to test the normality of the variables. Shapiro-wilks test is normally use to test the results for the samples size up to 2,000. In this study, this method is used and Table 4.3 indicates that the data results is acceptable because p-value is less than 5%, denotes the data significantly deviate from a normal distribution.

Table 4.3
Test of Normality – Shapiro-Wilk

| | Statistic | Sig. |
|---------|-----------|------|
| Valid N | 384 | .000 |

4.3 Descriptive Statistics for Demographic Profile

Frequency Test used to explore the demographic characteristics of the respondents.

1. Age

Table 4.4

Frequency Table - Age

| | Frequency | Percent |
|-------|-----------|---------|
| 17 | 1 | 0.3 |
| 18 | 42 | 10.9 |
| 19 | 220 | 57.3 |
| 20 | 54 | 14.1 |
| 21 | 62 | 16.1 |
| 22 | 5 | 1.3 |
| Total | 384 | 100.0 |

The aims of this question is to ensure the correct age group have been obtained. Table 4.4 shows that a high proportion of the students are at the age of 19 years old (57%), followed by 21 years old (16%), 20 years old (14%), and 18 years old (11%). The balance of 1% is from the age of 17 and 22. Thus, the age group of the sample is valid and in line with the scope of the study.

2. Gender

Table 4.5

Frequency Table - Gender

| | Frequency | Percent |
|--------|-----------|---------|
| Female | 239 | 62.2 |
| Male | 145 | 37.8 |
| Total | 384 | 100.0 |

According to Robb and Sharpe (2009), female students possessed less financial knowledge and carry more debt. Thus, the intention of this question is to describe the identities and gender which may influence the survey answers. Table 4.5 indicates that 62% of the respondents are female and 38% are male. Therefore, the sample collected is valid.

3. Marital Status

Table 4.6

Frequency Table – Marital status

| | Frequency | Percent |
|---------|-----------|---------|
| Single | 384 | 100.0 |
| Married | 0 | 0.0 |
| Total | 384 | 100.0 |

Table 4.6 shows that 100% of the respondents are single. The rationale behind is the marital status may influence the response to the survey question. Therefore, the sample collected is valid and in line with the scope of the study.

4. Race

Table 4.7
Frequency Table – Race

| | Frequency | Percent |
|---------|-----------|---------|
| Malay | 9 | 2.3 |
| Chinese | 329 | 85.7 |
| Indian | 44 | 11.5 |
| Others | 2 | 0.5 |
| Total | 384 | 100.0 |

The aims for this question is to understand the respondent's ethnicity which may influence the responses to survey questions. Table 4.7 indicates that 86% of the respondents are Chinese, followed by Indian (12%) and Malay (2%). As such, the sample collected is valid and in line with the scope of the study.

5. State

Table 4.8
Frequency Table – State

| | Frequency | Percent |
|---------------------|-----------|---------|
| Wilayah Persekutuan | 104 | 27.1 |
| Selangor | 97 | 25.3 |
| Negeri Sembilan | 32 | 8.3 |
| Perak | 19 | 4.9 |
| Pulau Pinang | 11 | 2.9 |
| Perlis | 13 | 3.4 |
| Kedah | 10 | 2.6 |
| Melaka | 11 | 2.9 |
| Johor | 35 | 9.1 |
| Terengganu | 5 | 1.3 |
| Pahang | 10 | 2.6 |
| Kelantan | 22 | 5.7 |
| Sabah | 11 | 2.9 |
| Sarawak | 3 | 0.8 |
| Others | 1 | 0.3 |
| Total | 384 | 100.0 |

The aims of this question is to reflect the demographic composition of Malaysia. Table 4.8 indicates that 61% of the respondents are from Central region (Negeri Sembilan, Selangor and Wilayah Persekutuan), 14% of the respondents are from North region (Perak, Pulau Pinang, Kedah and Perlis), 12% of the respondents are from South region (Melaka and Johor), 9% of the respondents are from East region (Terengganu, Pahang and Kelantan) and 4% are the respondents are from East Malaysia (Sabah and Sarawak). Therefore, Central region denotes the major of the demographic composition which is in line with the scope of this study.

6. Major field of study

Table 4.9
Frequency Table – Major field of study

| | Frequency | Percent |
|-------------|-----------|---------|
| Accounting | 326 | 84.9 |
| Business | 43 | 11.2 |
| Engineering | 15 | 3.9 |
| Total | 384 | 100.0 |

This question is aimed to understand the field of the study in view that different field may influence the survey answers. Table 4.9 indicates that 85% of the respondents are major in Accounting, followed by Business (11%) and Engineering (4%). Thus, the sample collected is valid and in line with the scope of the study.

7. Parents' highest education attained

Table 4.10

Frequency Table – What is your parents' highest education attained?

| | Frequency (Father) | Percent | Frequency (Mother) | Percent |
|----------------------------------|-----------------------|---------|-----------------------|---------|
| No schooling | 19 | 4.9 | 20 | 5.2 |
| Primary | 66 | 17.2 | 64 | 16.7 |
| Lower Secondary-PMR | 84 | 21.9 | 78 | 20.3 |
| Secondary – SPM | 117 | 30.5 | 126 | 32.8 |
| STPM / Pre-University | 22 | 5.7 | 27 | 7.0 |
| Diploma / Vocational / Technical | 36 | 9.4 | 36 | 9.4 |
| Degree | 33 | 8.6 | 32 | 8.3 |
| Master / PHD | 7 | 1.8 | 1 | 0.3 |
| Total | 384 | 100.0 | 384 | 100.0 |

The aim of this question is to understand the highest education level attained by the respondent parents in view that different educational level of parents may influence the spending habits of the respondents as mentioned in Relative Income Theory of Consumption. Table 4.10 shows that 58% (Father) and 60% (Mother) of their parents are at secondary or high school level, 20% (Father) and 18%

(Mother) are at tertiary level, 17% (Father and Mother) are at primary school level, and 5% (Father and mother) are illiterate. In summary, this indicates that majority of their parents attained a low education level.

8. Parents' occupation

Based on the survey results, 92% of the respondents do not answer the parent's occupation. The feedback from the respondents was they are not able to describe the parents' occupation in English and some of them refused to answer because they treated this question as a confidential. Thus, the researcher is in the opinion that inability to comprehend the subject matter in English is a key factor that lead to no response in these two questions.

9. Monthly income zone of parents

Table 4.11

Frequency Table – Parents' Monthly Income Zone

| | Frequency | Percent |
|--------------------------------|-----------|---------|
| Below RM 1,000 | 14 | 3.6 |
| Between RM 1,000 to RM 5,000 | 249 | 64.8 |
| Between RM 5,000 to RM 10,000 | 73 | 19.0 |
| Between RM 10,000 to RM 15,000 | 32 | 8.3 |
| Above RM 15,000 | 16 | 4.2 |
| Total | 384 | 100.0 |

The aims of this question is to understand the parents' income zone in view that parental income can be used as an indicator of a student's lifestyle, social class, and the opportunities that are available to them. According to Robb and Sharpe (2009), students who reported coming from high-income families always participating in risky financial behaviour. Table 4.11 shows that 65% of the monthly income of the respondent parents are in the ranging of RM 1,000 to RM 5,000, 19% derived from the monthly income between RM 5,000 to RM 10,000, 12% derived from the monthly salary above RM 10,000 and 4% represents monthly salary below RM 1,000. This data collection is linked to the question on the highest education attained in which low education leads to low income. Thus, it shown a consistency of answering the survey questions.

10. Amount (RM) and percentage (%) of monthly income that being spent

Only eight respondents (2%) answered this question. Majority of the respondents answered "don't know" and some of the respondents replied they are not sure on their spending allocation in view that their parents will top up if they face financial difficulties. This indicates that they are not aware about the bad spending habits which may trigger the risk of future financial instability on matching income and expenditures. The researcher is in the opinion that this is not a difficult question because 85% of the respondents are major in Accounting who supposed to be sensitive in figure and good in financial budgeting.

11. Allocation of money for emergency

Table 4.12

Frequency Table – Allocation of Money for Emergency

| | Frequency | Percent |
|-------|-----------|---------|
| Yes | 282 | 73.4 |
| No | 102 | 26.6 |
| Total | 384 | 100.0 |

The aims of this question is to understand the financial habits of the college students. Table 4.12 shows that 73% of the respondents will allocate money for emergency and the balance of 27% replied that they will not allocate money for emergency.

12. Excessive spending

Table 4.13

Frequency Table – Do You Consistently Spend More That You Have ?

| | Frequency | Percent |
|-------|-----------|---------|
| Yes | 75 | 19.5 |
| No | 309 | 80.5 |
| Total | 384 | 100.0 |

The aims of this question is to understand the level of financial education on the matching the income and expenditure. Table 4.13 shows that 81% of the respondents will not spend more that they have and the balance of 20% replied that they will consistently spend more than they have. This question is link to the question on the money allocation for emergency. This indicates that majority of the respondents are careful about their financial consequences of their financial decision. This may due to majority of the respondents (85%) are from accounting field.

4.4 Validity Test

As examination of the correlation matrix which is shown in Appendix 10, indicates that a considerable number of correlation which is exceeded 0.3. Therefore, the matrix is suitable for factor analysis.

Table 4.14
KMO and Bartlett's Test - Overall

| KMO and Bartlett's Test | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .930 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 4271.031 |
| | Df | 190 |
| | Sig. | .000 |

Kaiser-Meyer-Olkin ("KMO") based on all the independent variables have been conducted and shown in Table 4.14. The purpose is to test the validity of the

variables. The Bartlett's test of sphericity is significant and the KMO is 0.930 which is greater than 0.50 (Warnaars and Pradel, 2007). Thus, all the variables are valid.

Table 4.15
Communalities

| Item | Initial | Extraction | Result |
|------|---------|------------|--------|
| 15 | 1.000 | 0.644 | Valid |
| 16 | 1.000 | 0.824 | Valid |
| 17 | 1.000 | 0.592 | Valid |
| 18 | 1.000 | 0.465 | Valid |
| 19 | 1.000 | 0.514 | Valid |
| 20 | 1.000 | 0.639 | Valid |
| 21 | 1.000 | 0.593 | Valid |
| 22 | 1.000 | 0.534 | Valid |
| 23 | 1.000 | 0.656 | Valid |
| 24 | 1.000 | 0.511 | Valid |
| 25 | 1.000 | 0.599 | Valid |
| 26 | 1.000 | 0.687 | Valid |
| 27 | 1.000 | 0.721 | Valid |
| 28 | 1.000 | 0.685 | Valid |
| 29 | 1.000 | 0.598 | Valid |
| 30 | 1.000 | 0.774 | Valid |
| 31 | 1.000 | 0.676 | Valid |
| 32 | 1.000 | 0.504 | Valid |
| 33 | 1.000 | 0.623 | Valid |
| 34 | 1.000 | 0.748 | Valid |

Table 4.15 shows that the validity test for each of the items. The test result indicates that all the variables are passing the validity test and ready for the reliability test.

4.5 Factor Analysis

Table 4.16

Total Variance Explained-Initial Eigenvalues

| Component | Total | % of Variance | Cumulative % |
|-----------|-------|---------------|--------------|
| 1 | 8.885 | 44.425 | 44.425 |
| 2 | 1.614 | 8.069 | 52.494 |
| 3 | 1.081 | 5.407 | 57.900 |
| 4 | 1.008 | 5.041 | 62.941 |

The factor matrix is a matrix of loadings or correlations between the variables and factors. Table 4.16 shows the factors and their associated eigenvalues. The results indicates that four factors to be extracted because they have eigenvalues greater than 1 which represent 62.941% of the total variance explained (Appendix 11). According to Warnars & Pradel (2007), the percentage of cumulative in Rotation Sums of Squared Loadings must be greater than 60% in order to pass the validity test. Since the percentage of cumulative of Rotation Sums of Squared Loadings is 62.941% which is greater than 60%, the researcher confirmed that the variable is passing the validity test. The test results shown that component 1 had an eigenvalue of 8.885, whereas component 2, 3 and 4 had an eigenvalue of 1.614, 1.081 and 1.008 respectively. It can be confirmed by Scree Plot which is shown in

Figure 4.1, i.e. there are four predominant factors that influencing spending habits of students in Malaysia.

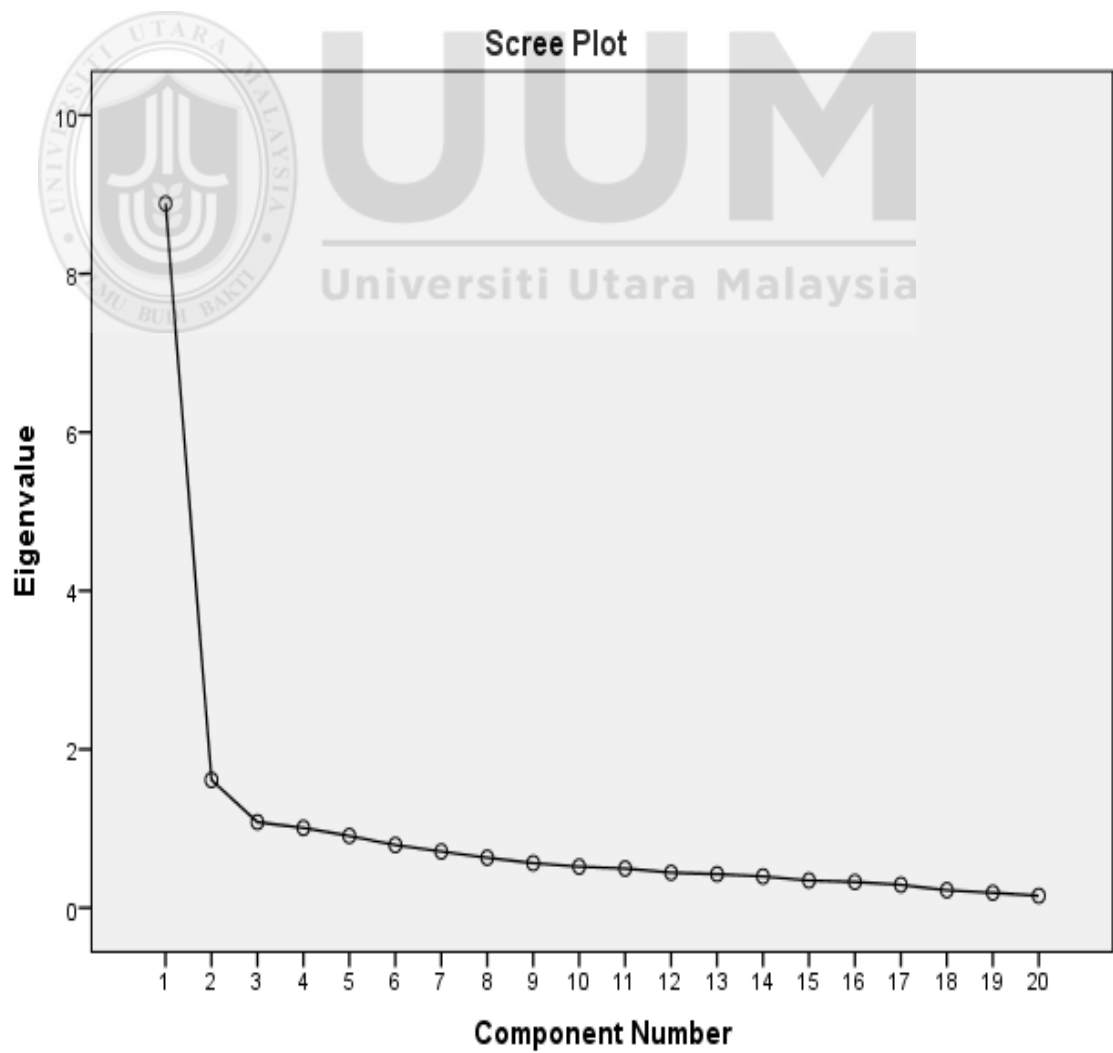


Figure 4.1
Scree Plot – Eigenvalues

Table 4.17
Rotated Component Matrix

| Item | Component | | | |
|------|-----------|-------|-------|-------|
| | 1 | 2 | 3 | 4 |
| 33 | 0.736 | | | |
| 21 | 0.735 | | | |
| 20 | 0.709 | | | |
| 31 | 0.648 | | | |
| 32 | 0.637 | | | |
| 22 | | | 0.312 | |
| 24 | 0.620 | | | |
| 30 | 0.589 | | | |
| 34 | 0.575 | | | |
| 23 | | | 0.527 | |
| 27 | | 0.833 | | |
| 28 | | 0.783 | | |
| 26 | | 0.683 | | |
| 25 | | 0.654 | | |
| 29 | | 0.502 | | |
| 19 | | | 0.560 | |
| 18 | | | 0.525 | |
| 15 | | | | 0.404 |
| 16 | | | | 0.898 |

Table 4.17 shows rotated component matrix. Item no.17 has been deleted because it has a negative loading of 0.753 (Appendix 12). First component, primarily a measure of prestige factor comprises eight items, namely 33, 21, 20, 31, 32, 24,

30 and 34. Second component, primarily a measure of promotional approaches, comprises five items, namely 27, 28, 26, 25 and 29. Four items in the third component which primarily measure social status are 22, 23, 19 and 18. The last component which primarily measure product usage and purchasing power comprises of two items which are 15 and 16. The researcher conducted a final step before the interpretation of the test results, i.e. to determine Cronbach's alpha coefficient of internal consistency to ensure that all the four components produce a reliable scale.

4.6 Reliability Test

Table 4.18
Reliability Tests For Components

| Components | Cronbach's Alpha | N of Items |
|--|------------------|------------|
| Component 1 – Prestige Factor | 0.900 | 8 |
| Component 2 – Promotional Approaches | 0.833 | 5 |
| Component 3 – Social Status | 0.779 | 4 |
| Component 4 – Product Usage and Purchasing Power | 0.438 | 2 |
| Overall | 0.934 | 19 |

Table 4.18 shows that the overall Cronbach's Alpha value is 0.934. Prestige factor has the highest Cronbach's Alpha of 0.900, followed by promotional approaches and social status which is 0.833 and 0.779 respectively. Therefore, the data is reliable because the Cronbach's Alpha is greater than 0.70 (Field & Miles, 2010). However, product usage and purchasing power has to be rejected because the

Cronbach's Alpha is 0.438 which is not acceptable because it is less than 0.50 (Nunnally, 1978).

4.7 Checking Relationship between Variables

Table 4.19

The Correlation results for all variable relationships

| Variable | F-value | Significant | R Square | Statistical Test | Result |
|----------|---------|-------------|----------|------------------|----------|
| PF – SH | 19.471 | 0.000 | 0.293 | Medium | Positive |
| PA – SH | 16.287 | 0.000 | 0.177 | Medium | Positive |
| SS – SH | 21.034 | 0.000 | 0.182 | Medium | Positive |
| Total | 10.947 | 0.000 | 0.337 | Medium | Positive |

The researcher conducted Multiple Regression Analysis in order to confirm the fitness of the model, served as an extension of bivariate Pearson product-moment correlation. Standard Regression model applied in order to examine the relationship between the whole set of predictors and the dependent variable (Appendix 13).

Table 4.19 shows that prestige factor (“PF”) is significantly correlated with spending habits (“SH”). The result explains 29.3% of the variability of the spending habits and indicative of a medium effect size, according to Cohen’s (1998) classification. The F-value is 19.471 with p-value of 0.000, which is less than the chosen 5% level of significance. Thus, this confirmed the fitness of the model and indicates that there is a statistically significant relationship between prestige factor and the spending habits.

A significant correlation was also found between promotional approaches (“PA”) and spending habits (“SH”) which is shown in Table 4.19. The result shows 17.7% of the variability of the spending habits and indicative of a medium effect size, according to Cohen’s (1998) classification. The F-value is 16.287 with p-value of 0.000, which is less than the chosen 5% level of significance. Thus, this confirmed the fitness of the model and indicates that there is a statistically significant relationship between promotional approaches and the spending habits.

Apart from that, Table 4.19 shows a significant correlation between social status (“SS”) and spending habits (“SH”). The result explains 18.2% of the variability of the spending habits and indicative of a medium effect size, according to Cohen’s (1998) classification. The F-value is 21.034 with p-value of 0.000, which is less than the chosen 5% level of significance. Thus, this confirmed the fitness of the model and indicates that there is a statistically significant relationship between social status and the spending habits.

Besides, the result shown in Table 4.19 also indicates that there is a significant correlation between all the above independent variables, namely prestige factor, promotional approaches and social status and spending habits (“SH”). The result explains 33.7% of the variability of the spending habits and indicative of a medium effect size, according to Cohen’s (1998) classification. The F-value is 10.947 with p-value of 0.000, which is less than the chosen 5% level of significance. Thus, this confirmed the fitness of the model and indicates that there is a statistically significant relationship between all the above independent variables and the spending habits.

Table 4.20
Component Correlation Matrix

| Component | PF | PA | SS | PU |
|-----------|-------|-------|-------|-------|
| PF | 1.000 | .510 | -.347 | .233 |
| PA | .510 | 1.000 | -.174 | .210 |
| SS | -.347 | -.174 | 1.000 | -.134 |
| PU | .233 | .210 | -.134 | 1.000 |

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

Table 4.20 indicates the correlation between the four independent variables. The result shows that there is a positive relationship between prestige factor (“PF”) and promotional approaches (“PA”) and appear to be large related in view that the strength of association is 0.510 which is greater than 0.5 (Deborah, 2009).

Prestige factor (“PF”) also has a positive relationship with product usage and purchasing power (“PU”) and appear to be small related because the correlation is 0.233 which is in the range of 0.1 to 0.3 (Deborah, 2009). However, the result shows that there is a negative relationship between prestige factor (“PF”) and social status (“SS”) and appear to be medium related because the correlation is -0.347 which is in the range of -0.3 to -0.5 (Deborah, 2009).

Promotional approaches (“PA”) indicates a positive relationship with product usage and purchasing power (“PU”) and appear to be small related because the correlation is 0.210 which is in the range of 0.1 to 0.3 (Deborah, 2009). However, there is a negative relationship between promotional approaches (“PA”) and social status (“SS”) and appear to be small related because the correlation is -0.174 which is in the range of -0.1 to -0.3 (Deborah, 2009). Lastly, the result shows that there is a negative relationship between social status (“SS”) and product usage and purchasing power (“PU”) and appear to be small related because the correlation is -0.134 which is in the range of -0.1 to -0.3 (Deborah, 2009).

In summary, there is a positive correlation between prestige factor, promotional approaches and product usage and purchasing power, but all these components have a negative correlation with social status.

4.8 Hypothesis Tests

1. Hypothesis 1: Product Usage and Purchasing Power

Table 4.21

Product Usage and Purchasing Power : Total Statistics

| | Factor Loading |
|--|----------------|
| Buying decision based on financial power (16). | 0.898 |
| Buying decision influence by advertising (15). | 0.404 |
| Variance | 5.041% |
| Reliability | 0.438 |

The variance of initial Eigenvalues indicates that this is the forth factor has 5.041% of 62.941% (Appendix 11). This shows that product usage and purchasing power is also become one of the factor that influences the spending habits of college students. Table 4.21 shows an examination of the factor loading and the result

indicates that all the items have a significant relationship and appear to be large related for item no. 16 and medium related for item no. 15 (Deborah, 2009). The findings of Inter-item correlation matrix (Appendix 17) shown that there is small correlation between the items. However, the Cronbach's alpha for the overall scale is equal to 0.438, which is not acceptable because it is less than 0.5 (Nunnally, 1978). Based on the above findings, the researcher concluded that there is no statistically significant relationship between product usage and purchasing power and spending habits of students' in Malaysia because the data is not reliable. Therefore, Hypothesis 1 (H1) is rejected.

2. Hypothesis 2: Social Status

Table 4.22
Social status : Total Statisticsx

| | Factor Loading |
|---|----------------|
| Buying product for collection - Different colour and shape with same function (19). | 0.560 |
| I always spend more than I can afford due to social status (23). | 0.527 |
| Buying product without using it (18). | 0.525 |
| Feeling inferior if do not have good product (22) | 0.312 |
| Variance | 5.407% |
| Reliability | 0.779 |

The variance of initial Eigenvalues indicates that this is the third factor has 5.407% of 62.941% (Appendix 11). This explains that social status is also one of key

factor that influences the spending habits of college students. Table 4.22 shows an examination of the factor loading and the results indicates that all the items have a significant relationship in which item no. 19, 23 and 18 appear to be large related in view that the strength of association is greater than 0.5 (Deborah, 2009), whereas item 22 appear to be medium related because the strength of association is between 0.3 to 0.5 (Deborah, 2009). The findings of Inter-item correlation matrix (Appendix 16) shown that there is middle to large correlation between the items. Besides, the Cronbach's alpha for the overall scale is equal to 0.779, which is highly reliable. Based on the above findings, the researcher concluded that there is a significant relationship between social status and spending habits of students' in Malaysia. Therefore, Hypothesis 2 (H2) is accepted.

3. Hypothesis 3: Promotional Approaches

Table 4.23

Promotional Approaches : Total Statisticsx

| | Factor Loading |
|--|----------------|
| I will buy product with discount price (27). | 0.833 |
| I tend to buy impulse if I see discount is offered (28). | 0.783 |
| Free product can be reason to induce me for impulse buying (26). | 0.683 |
| I will buy product if I can get free product (25). | 0.654 |

| | |
|--|-------|
| I always spend more than I can afford due to promotion given (29). | 0.502 |
|--|-------|

| | |
|-------------|--------|
| Variance | 8.069% |
| Reliability | 0.833 |

The variance of initial Eigenvalues indicates that this is the second factor has 8.069% of 62.941% (Appendix 11). This shows that promotional approaches plays a big role in creating the spending habits of college students. Table 4.23 shows an examination of the factor loading and the result indicates that all the items have a significant relationship and appear to be large related in view that the strength of association is greater than 0.5 (Deborah, 2009). The findings of Inter-item correlation matrix (Appendix 15) shown that there is middle to large correlation between the items. Besides, the Cronbach's alpha for the overall scale is equal to 0.833, which is highly reliable. Based on the above findings, the researcher concluded that there is a significant relationship between promotional approaches and spending habits of students' in Malaysia. Therefore, Hypothesis 3 (H3) is accepted.

4. Hypothesis 4: Prestige Factor

Table 4.24

Prestige Factor : Item – Total Statisticsx

| | Factor Loading |
|---|----------------|
| The most important thing for me is the image of store in buying goods (33). | 0.736 |
| I will buy product that have good reputation (21). | 0.735 |

| | |
|---|---------|
| I will buy product that usually used by mid-high level Person (20). | 0.709 |
| Feeling arrogant in buying product that have good reputation (31). | 0.648 |
| Family always remind to buy good and quality product (32). | 0.637 |
| Parents' asked to buy only branded product (24). | 0.620 |
| I will buy expensive product to show prestige (30). | 0.589 |
| I always spend more than I can afford due to peer pressure (34). | 0.575 |
| <hr/> | |
| Variance | 44.425% |
| Reliability | 0.900 |

The variance of initial Eigenvalues indicates that this is the first factor has 44.425% of 62.941% (Appendix 11). This shows that prestige factor is the most dominant factor that influences the spending habits of college students. Table 4.24 shows an examination of the factor loading and the result indicates that all the items have a significant relationship and appear to be large related in view that the strength of association is greater than 0.5 (Deborah, 2009). The findings of Inter-item correlation matrix (Appendix 14) shown that there is middle to large correlation between the items. Besides, the Cronbach's alpha for the overall scale is equal to 0.900, which is highly reliable. Based on the above findings, the researcher concluded that there is a statistically significant relationship between prestige factor and spending habits of students' in Malaysia. Therefore, Hypothesis 4 (H4) is accepted.

4.9 Chapter Summary

Based on the research that the researcher have conducted to 384 respondents, the researcher concluded that three of the independent variables, namely prestige, promotional approaches and social status had influenced the spending habits among students in Malaysia. However, product usage and purchasing power had not influenced the students' spending habits in Malaysia, but this component has a correlation with prestige and promotional approaches. Thus, it is indirectly influences the students' spending habits.

Descriptive Statistics test shown that Standard Deviation is ranging from 0.832 to 1.254 level and Standard Error is ranging from 0.042 to 0.064 level which provides a valuable descriptive measure. The Normality test results is acceptable in view that kurtosis is between -2 to +2 levels. (George & Mallery, 2010).and Shapiro-wilks test indicates that the data results is acceptable in view that p-value is less than 5%, denotes the data significantly deviate from a normal distribution. In addition, the demographic characteristics of the respondents have been identified.

Kaiser-Meyer-Olkin ("KMO") have been conducted to test the validity. The survey results shown the value of 0.930 which is greater than 0.50 (Warnaars and Pradel, 2007). Factor analysis have been conducted and four key components have been identified. It was hypothesised that the dominant factor that influences the spending habits of college is prestige factor (component 1) and followed by promotional approaches (component 2), social status (component 3) and product usage and purchasing power (component 4).

The overall Cronbach's Alpha value derived from Reliability Test is 0.934. In term of the respective components, prestige factor carried the highest value, i.e. 0.900, followed by promotional approaches (0.833) and social status (0.779). It means that all the data for these three components are reliable because the Cronbach's alpha is greater than 0.70 (Field & Miles, 2010). However, the Cronbach's alpha for product usage and purchasing power is 0.438 which is less than the acceptable level of 0.500 (Nunnally, 1978). The results extracted from Multiple Regression Analysis confirmed the fitness of the model and indicates that there is a statistically significant relationship between prestige factor, promotional approaches and social status and the spending habits.

Components correlation matrix concluded that there is a positive correlation between prestige factor, promotional approaches and product usage and purchasing power, but all these components had a negative correlation with social status. Besides, corrected item-total correlation matrix and inter-item correlation matrix for each of the component have been analysed and shown that it is related with each other. Based on the above findings, the researcher accepted the following hypothesis, namely prestige factor (H4), promotional approaches (H3) and social status (H2). Product usage and purchasing power (H1) is rejected because the Cronbach's Alpha is less than the acceptable level of 0.500 (Nunnally, 1978).



CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter describes the findings derived from Kiser-Meyer-Olkin (“KMO”), factor analysis, Reliability Test and multiple regression analysis which have been discussed in the previous chapter. Apart from that, theoretical and practical contribution of the study will be discussed. At the end of this chapter, recommendations for further improvement and conclusion of this study have been drawn.

5.1 Findings on Product Usage and Purchasing Power

Product usage and purchasing power is one of the factor that influences the spending habits of college students in view that the variance of initial Eigenvalues is 5.041% of 62.941%. However, the Cronbach's Alpha is 0.438 which is less than the acceptable level of 0.50 (Nunnally, 1978). Therefore, the measurement is not reliable and the researcher concluded that there is no statistically significant relationship between product usage and purchasing power and spending habits of college students in Malaysia. Therefore, hypothesis 1 (H1) is rejected.

However, this factor has a correlation with the other key components. It was hypothesised in the component matrix that there is a small positive correlation with prestige factor (0.233) and promotional approaches (0.210). As a result, even though this hypothesis is rejected but it influences the college students spending habits indirectly. The test result of this study has the differences with the result conducted by previous researchers. Pinto (2005) states that education on product usage and purchasing power will cultivate a healthy spending habits. Hotpascaman (2008) argued that the usage of product influence spending habits in view that every people have their own perspective about how long the goods can be used. Karwowsk (2011) states frequency and amount of product used show the life span of the product. Besides, Agustia (2012) concluded that fulfilling desire and purchasing power are the factors that influencing the spending habits of college students and Enrico et al. (2014) concluded that students who have bigger purchasing power may tends to spend more. Even though there is a differences

between the survey results and the findings from the previous researchers, the researcher concluded that product usage and purchasing power hypothesis is rejected but acknowledge that it is related with prestige factor and promotional approaches. Thus, it is indirectly influences students' spending habits in Malaysia.

5.2 Findings on Social Status

Social status is also one of the key factor that influences the spending habits of college students in view that the variance of initial Eigenvalues is 5.407% of 62.941%. . The Cronbach's Alpha is 0.779 which is greater than 0.70 (Field & Miles, 2010). It was hypothesised in the component matrix that there is a medium negative correlation with prestige factor (-0.347) and also small negative correlation with promotional approaches (-0.174) and product usage and purchasing power (-0.134). It indicates that social status stand independently and did not affect by prestige factor, promotional approaches or product usage and purchasing power. In order to show social status, the college students always spend more than they can afford and will buy product without using it. They feel inferior if do not have good product and will buy product for collection purposes. This is clearly shown in the inter-item correlation matrix (Appendix 16). As a result, they become more consumptive. The test result of this study has the similarity with the result conducted by the previous researchers. Wilson (2005) and Bordon (2008) hypothesized that spending habits driven by social status and satisfaction. Asifo (2010) states that social status is a key factor that influences students' spending habits and marketing activities could tailored according to the different social class. Sunny (2011) argues that spending habits affected by social

status, especially influence by reference group such as family, role and status. This indicates that their lifestyle is affected by their surroundings, especially friends where they will spend more in order to maintain the social status. Enrico et al. (2014) concluded that people will buy products with higher price even though the price of goods decrease in order to show higher social status. Besides, Hawkins (1998) concluded that social status is part of inherited individual characteristics that are moulded and formed from the social interaction experience. Based on the above study and the research findings from the previous researchers, the researcher confirmed that there is a statistically significant relationship between social status and spending habits among college students in Malaysia. Therefore, Hypothesis 2 (H2) is accepted.



5.3 Findings on Promotional Approaches

Promotional approaches plays a big role in creating the spending habits of college students in view that the variance of initial Eigenvalues is 8.069% of 62.941%. . The Cronbach's Alpha is 0.833 which is greater than 0.70 (Field & Miles, 2010). It was hypothesised in the component matrix that there is a large (0.510) positive correlation with prestige factor and small (0.210) correlation with product usage and purchasing power. However, promotional approaches had a negative (-0.174) correlation with social status. It indicates that social status did not affect promotional approaches. The results of this study explains that the college students will become more consumptive when there is promotion. This is clearly

shown in the inter-item correlation matrix (Appendix 15). They tend to buy impulse when there is price discount or free product. In addition, they always spend more than they can afford due to promotion given. As a result, they become more consumptive. The test result of this study has the similarity with the result conducted by the previous researchers. Millman (1986) states that when there is unexpected price drops, the spending on unrelated goods will be increased. Karen (2010) concluded that promotional on unplanned grocery items would attract consumers to spend more. Ajay (2010) states that the consumers will spend more when there is a sweepstakes award because there is a probability of winning grand prize. Rejennd et al. (2014) hypothesized that under the competitive global business environment, the students are exposed to advertising campaigns and promotional approaches. Besides, Alirena (2011) concluded that there is a positive relationship between spending habits and promotional approaches among college students. Based on the above study and the research findings from the previous researchers, the researcher confirmed that there is a statistically significant relationship between promotional approaches and spending habits among college students in Malaysia. As a result, Hypothesis 3 (H3) is accepted.

5.4 Findings on Prestige

Prestige factor is the most dominant factor that influence the spending habits of college students in view that the variance of initial Eigenvalues is 44.425% of 62.941%. . The Cronbach's Alpha is 0.900 which is greater than 0.70 (Field & Miles, 2010). It was hypothesised in the component matrix that there is a large (0.510) positive correlation with promotional approaches and small (0.233)

correlation with product usage and purchasing power. However, prestige factor had a negative (-0.347) correlation with social status. It indicates that social status did not affect prestige factor. The results shown that in order to maintain the prestige, the college students become more consumptive when there is promotion or when they want to fulfil their desire. This is clearly shown in the inter-item correlation matrix (Appendix 14). They are willing to buy expensive product to show prestige because they feels arrogant to have a product that have good reputation and usually used by mid-high level person. In addition, they always spend more than they can afford due to peer pressure. Besides, they are influenced by the parents who asked them to buy good and quality product, especially branded product. As a result, they become more consumptive. The test result of this study has the similarity with the result conducted by the previous researchers. Goode (1978) argues that individuals who enjoy relatively high prestige have a greater freedom of action which could lead to social change and exert influence on others. In order to meet their need for self-esteem, they are willing to spend most of their money in luxurious and branded products. They also tend to spend on entertainment and dining such as Starbucks and Coffee Bean which is expensive (Rajennd et al., 2014) in order to show “status symbol” (Cude, 2006). They buy products not for what they can do, but also for what they mean. Leclerc (2012) stated that students exposed to social pressure and Enrico et al. (2014) concluded that students will over-spend in order to maintain prestige, whereas Daniel (2007) said students influences by brand and fashion. Based on the above study and the research findings from the previous researchers, the researcher confirmed that there is a statistically significant relationship between prestige

factor and spending habits of college students in Malaysia. Thus, Hypothesis 4 (H4) is accepted.

5.5 Theoretical and Practical Contribution of the Study

Based on the research that the researcher have conducted to 384 respondents, the researcher concluded that the most dominant factor that influences the spending habits of students is prestige factor, followed by promotional approaches and social status. Even though product usage and purchasing power hypothesis is rejected, but the researcher acknowledge that it serves as an indirect factor that influences the spending habits among students in view that this component is related to prestige factor and promotional approaches.

This study have made some unique contributions to the literature. It contributes to the understanding of students' spending habits which helped in throwing light on factors that influence spending habits of students in Malaysia. By knowing these factors, hopefully the college students will be more aware about the spending habits that triggered it and to suppress their consumptive behaviour in view that they are soon to dominate the consumer market. They need to limit their spending, think about the long-term consequences and need to realize the value of delayed gratification (Consumer Federation of America, 1999). Better understanding of spending habits may minimise the risk of future financial instability on matching income and expenditures. Financial stability may assist to minimize the risk of bankruptcy and social problems such as commit crimes, alcohol, corruption, drugs

and commit suicide. At the same time, it aims to cultivate savings for emergencies and to have a proper plan for retirement.

This study also helps the parents in educate their children in the more effective manner. It is important for parent to establish the financial habits with their children. According to Dr. Soyeon Shim (The Telegraph, 2009), a student is deep in debt or has a lot of savings are inherited their sense from their parents. He reveals that parents have the greatest influence on student's financial habits, above work experience and financial education in secondary or high school. Parents who intentionally teach their children about financial management may exert a greater influence on children's financial knowledge and the behaviour of the parents will also influence their financial attitudes.

Apart from that, this study will provide valuable data for university administrators in enrolment management and student affairs, high school counsellors and economic educators in planning and developing financial and economic education programs to help the student's manage their spending. Students need to receive more financial education now so they can be better financial consumer in today's increasingly complex marketplace. Schreiner et al. (2002) suggested that financial classes with shorter hours to be more effective than classes with longer hours, whereas Lyons (2004) found that short and easily accessible methods may be more appropriate in reaching students. Therefore, it is essential for financial experts and educators to consider how to package financial content appropriately, particularly for introductory on personal finance.

In addition, this study also will help the brand owners whose target market is students should strive to maintain their brand image and ambience in consistence with current trends and icons, which reflect the younger generation. Furthermore, the findings of this study provide valuable insights to the marketers in identifying and taking steps to improve their products and services.

5.6 Recommendations for Future Research

Similar to other research, this study had limitations as mentioned in the previous chapter. One possible limitation concerns the scope of the study which merely covers the college students in Klang Valley. Therefore, it may not be able to represent the college students in other areas, especially rural areas. Besides four independent variables that had been discussed, there are other factors that may affect the students' spending habits such as gender, family background, financial literacy and influence of parents and peers. In addition, this study was a cross-sectional study with data taken at one point in time and all the generalizations drawn should be limited to the populations sampled.

In view of the limitations described above, several promising directions for future research has been identified. Firstly, the results of this research only reflect the response from limited college students in Klang Valley. Therefore, further measures for this research to be conducted on a national basis would be beneficial, i.e. research to include rural areas, small towns and other cities to reflect the demographic composition of Malaysia. Secondly, other factors that affecting the spending habits may be considered in the future research, namely gender, family

background, marital status, parental influences and peer influences. Thirdly, a study to examine the differences in financial literacy (financial knowledge, attitudes and behaviour) among students is another important area to attempt in view that the ability to make important personal financial decisions will contribute to the better financial behaviour and will affect the rest of their lives. Lastly, the researcher need more time in order to study the research in the more effective manner, especially in term of the geographic coverage and literature review.

5.7 Conclusion

This chapter summarize the overall study in this research paper and concluded that based on the research conducted to 384 respondents, the most dominant factor that statistically influences the students' spending habits is prestige factor, followed by promotional approaches and social status, whereas the product usage and purchasing power do not have statistically influenced the students' spending habits, but the researcher acknowledged that there is an indirect factor influencing the spending habits because it is correlated to prestige factor and promotional approaches.

This study will assist to students to have a better understanding on spending habits that triggered which may minimise the risk of future financial instability. It will help to minimise the risk of bankruptcy and social issues as well as commence savings now in order to have sufficient money for their retirement. This study also helps the parents in educate their children in the more effective manner and provide a valuable data for the administrators and educators in planning and

developing financial and economic education programs which will help the students in managing their personal financial in the most effective manner. In addition, this study will be very informative for the marketers in identifying and takings steps to improve their products.

At the end of this chapter, an area of improvement to this study had been recommended. Future measures for this research to be conducted on a national basis which should include rural areas, small towns and other cities to reflect the demographic composition of Malaysia and to increase the number of factors such as gender, family background, marital status, financial literacy, parental and peer influences that being used in conducting the research.



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APPENDIX 1

SURVEY QUESTIONNAIRE

Research Topic : Factors Influencing Students' Spending Habits in Malaysia

Dear Sir / Madam / Miss,

I would be thankful if you could participate in this survey by filling up this questionnaire. This research project focuses on factors that influence spending habits of students in Malaysia. This questionnaire is conducted as part of a research project of Master of Science (Finance) from Universiti Utara Malaysia, Kuala Lumpur.

Please be assured that all information will be treated with the strictest confidentiality and only the collective data will be analysed.

Thank you for your precious time in participating in the survey.

Sincerely,

Tew Choon Poh

Matric No.: 816302

Postgraduate Student, Universiti Utara Malaysia, Kuala Lumpur.



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"UUM: THE EMINENT MANAGEMENT UNIVERSITY"

Our Ref : UUM/UUMKL/P-39/133 (816302)

Date : 28th February 2016

TO WHOM IT MAY CONCERN

COLLECTION OF DATA FOR RESEARCH PURPOSES

We are pleased to inform you that the following individual is UUM Kuala Lumpur student who is presently pursuing his Master of Science Finance. She is required to collect data from your organization as a requirement for the BPMZ69912 Research Paper courses that she is pursuing this semester.

| No. | Name | Matric No. | I/D No. |
|-----|---------------|------------|--------------|
| 1. | Tew Choon Poh | 816302 | 681102025062 |

Since she has chosen your organization as her assignment, we would be most grateful if you could render all assistance to her to carry out the project successfully.

Please be informed that the data collected is purely for academic purposes and we assure you that all information or data will be kept strictly confidential.

We really appreciate your kindness and cooperation in the above matter.

Thank you.

"SCHOLARSHIP, VIRTUE AND SERVICE"

Sincerely yours,

DR. AHMAD RIZAL BIN MAZLAN

Director
Universiti Utara Malaysia
Kuala Lumpur (UUMKL)

SECTION 1 - Demographic Profile

- 1) Age
☐ 17 ☐ 19 ☐ 21
☐ 18 ☐ 20 ☐ Other : _____
- 2) Gender
☐ Male ☐ Female
- 3) Marital Status
☐ Single ☐ Married
☐ Divorced ☐ Other : _____
- 4) Race
☐ Malay ☐ Chinese ☐ Indian ☐ Other : _____
- 5) Which state are you come from ?

| | | | |
|-------------------------|--------------------------|------------|--------------------------|
| Wilayah Persekutuan, KL | <input type="checkbox"/> | Melaka | <input type="checkbox"/> |
| Selangor | <input type="checkbox"/> | Johor | <input type="checkbox"/> |
| Negeri Sembilan | <input type="checkbox"/> | Terengganu | <input type="checkbox"/> |
| Perak | <input type="checkbox"/> | Kelantan | <input type="checkbox"/> |
| Pulau Pinang | <input type="checkbox"/> | Pahang | <input type="checkbox"/> |
| Perlis | <input type="checkbox"/> | Sabah | <input type="checkbox"/> |
| Kedah | <input type="checkbox"/> | Sarawak | <input type="checkbox"/> |
| | | Other | <input type="checkbox"/> |

 If other, please specify :
 State : _____
 Country : _____
- 6) What is your major field of study ?

| | | |
|-------------|--------------------------|------------------------|
| Accounting | <input type="checkbox"/> | Please specify : _____ |
| Business | <input type="checkbox"/> | |
| Engineering | <input type="checkbox"/> | |
| Other | <input type="checkbox"/> | |
- 7) What is your father's highest education attained ?

| | | | |
|----------------------|--------------------------|------------------------------|--------------------------|
| No schooling | <input type="checkbox"/> | STPM/Pre-University | <input type="checkbox"/> |
| Primary | <input type="checkbox"/> | Diploma/Vocational/Technical | <input type="checkbox"/> |
| Lower Secondary -PMR | <input type="checkbox"/> | Degree | <input type="checkbox"/> |
| Secondary - SPM | <input type="checkbox"/> | Master / PhD | <input type="checkbox"/> |
| Other | <input type="checkbox"/> | | |

 If Other, Please specify : _____
- 8) What is your mother's highest education attained ?

| | | | |
|----------------------|--------------------------|------------------------------|--------------------------|
| No schooling | <input type="checkbox"/> | STPM/Pre-University | <input type="checkbox"/> |
| Primary | <input type="checkbox"/> | Diploma/Vocational/Technical | <input type="checkbox"/> |
| Lower Secondary -PMR | <input type="checkbox"/> | Degree | <input type="checkbox"/> |
| Secondary - SPM | <input type="checkbox"/> | Master / PhD | <input type="checkbox"/> |
| Other | <input type="checkbox"/> | | |

 If Other, Please specify : _____

9) Your father's primary occupation is _____

10) Your mother's primary occupation is _____

11) Which income zone is your parents' monthly income included ?

- ☐ Below RM 1,000.
☐ Between RM 1,000 - RM 5,000
☐ Between RM 5,000 - RM 10,000
☐ Between RM 10,000 - RM 15,000
☐ Above RM 15,000

12) Amount (RM) and Percentage (%) of MONTHLY income that being SPENT? _____

| | RM | Percentage |
|--|-------|------------|
| <input type="checkbox"/> Education or Tuition Fees | _____ | _____% |
| <input type="checkbox"/> Monthly household expenditure | _____ | _____% |
| <input type="checkbox"/> Transportation | _____ | _____% |
| <input type="checkbox"/> Rental | _____ | _____% |
| <input type="checkbox"/> Entertainment & Leisure | _____ | _____% |
| <input type="checkbox"/> Others | _____ | _____% |
| Total | _____ | _____% |

13) Do you allocate money for emergency ?

- ☐ Yes
☐ No

14) Do you consistently spend more than you earn/have ?

- ☐ Yes
☐ No

SECTION 2 - Product Usage and Purchasing Power

Using the scale given below, please rate the importance of items to you.

(1- Never, 2-Rarely , 3-Sometimes, 4-Often, 5-Always)

- 15) Buying decision influence by advertising
16) Buying decision based on financial power
17) Buying product using own money or saving
18) Buying product without using it
19) Buying product for collection
(different colour and shape with same function)

| 1 | 2 | 3 | 4 | 5 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION 3 - Social Status

Using the scale given below, please rate the importance of items to you.
(1- Never, 2-Rarely , 3-Sometimes, 4-Often, 5-Always)

- 20) I will buy product that usually used by mid-high level person.
- 21) I will buy product that have good reputation.
- 22) Feeling inferior if do not have good product.
- 23) I always spend more than I can afford due to social status.
- 24) Parents' asked to buy only branded product.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

SECTION 4 - Promotional Approaches

Using the scale given below, please rate the importance of items to you.
(1- Never, 2-Rarely , 3-Sometimes, 4-Often, 5-Always)

- 25) I will buy product if I can get free product.
- 26) Free product can be reason to induces me for impulse buying.
- 27) I will buy product with discount price.
- 28) I tend to buy impluse if I see discount is offered.
- 29) I always spend more than I can afford due to promotion given.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

SECTION 5 - Prestige

Using the scale given below, please rate the importance of items to you.
(1- Never, 2-Rarely , 3-Sometimes, 4-Often, 5-Always)

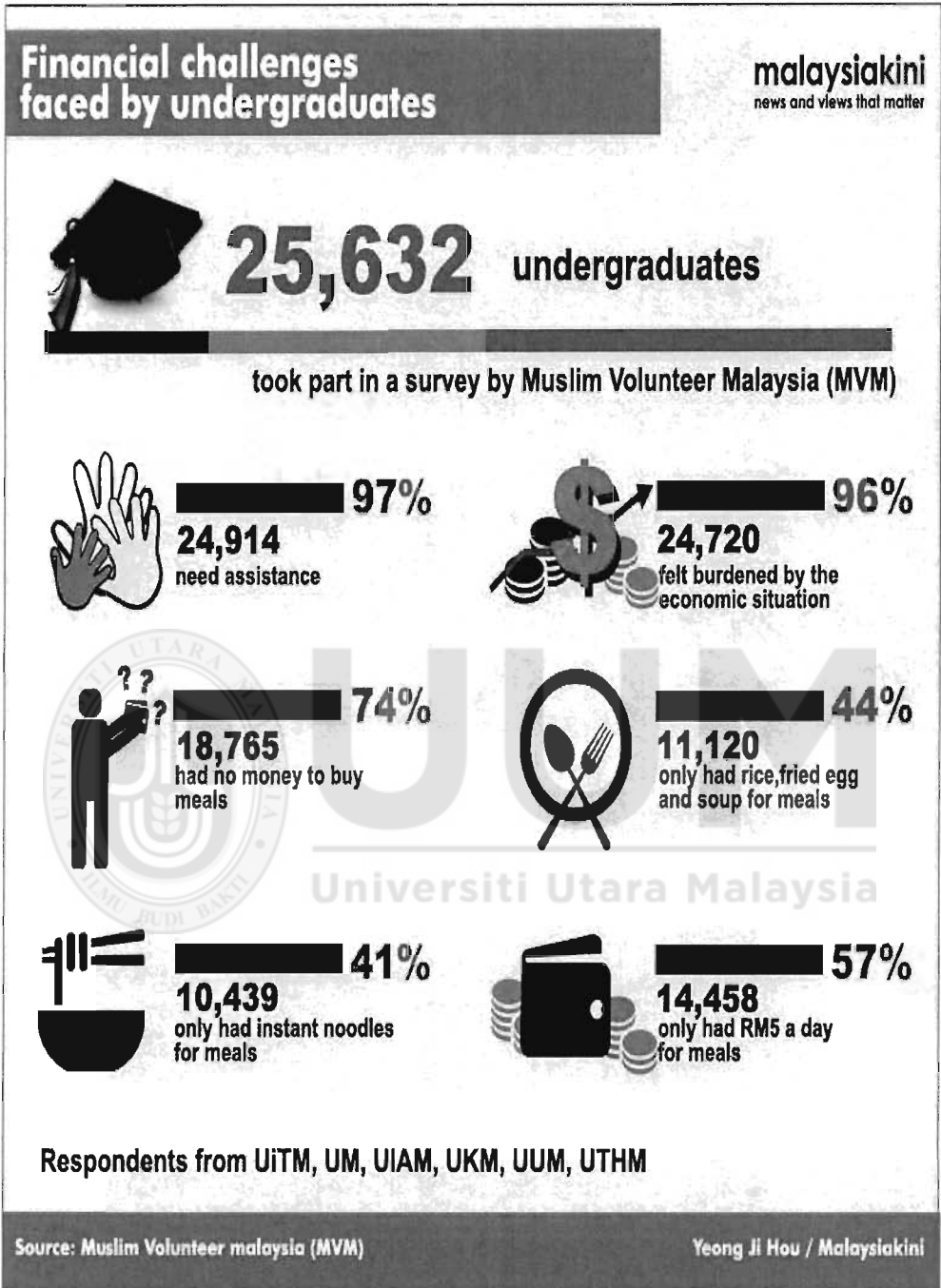
- 30) I will buy expensive product to show prestige.
- 31) Feeling arrogant in buying product that have good reputation.
- 32) Family always remind to buy good and quality product.
- 33) The most important thing for me is the image of store in buying goods.
- 34) I always spend more than I can afford due to peer pressure.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

END OF SURVEY

THANK YOU FOR PARTICIPATING IN THIS SURVEY.

APPENDIX 2



APPENDIX 3

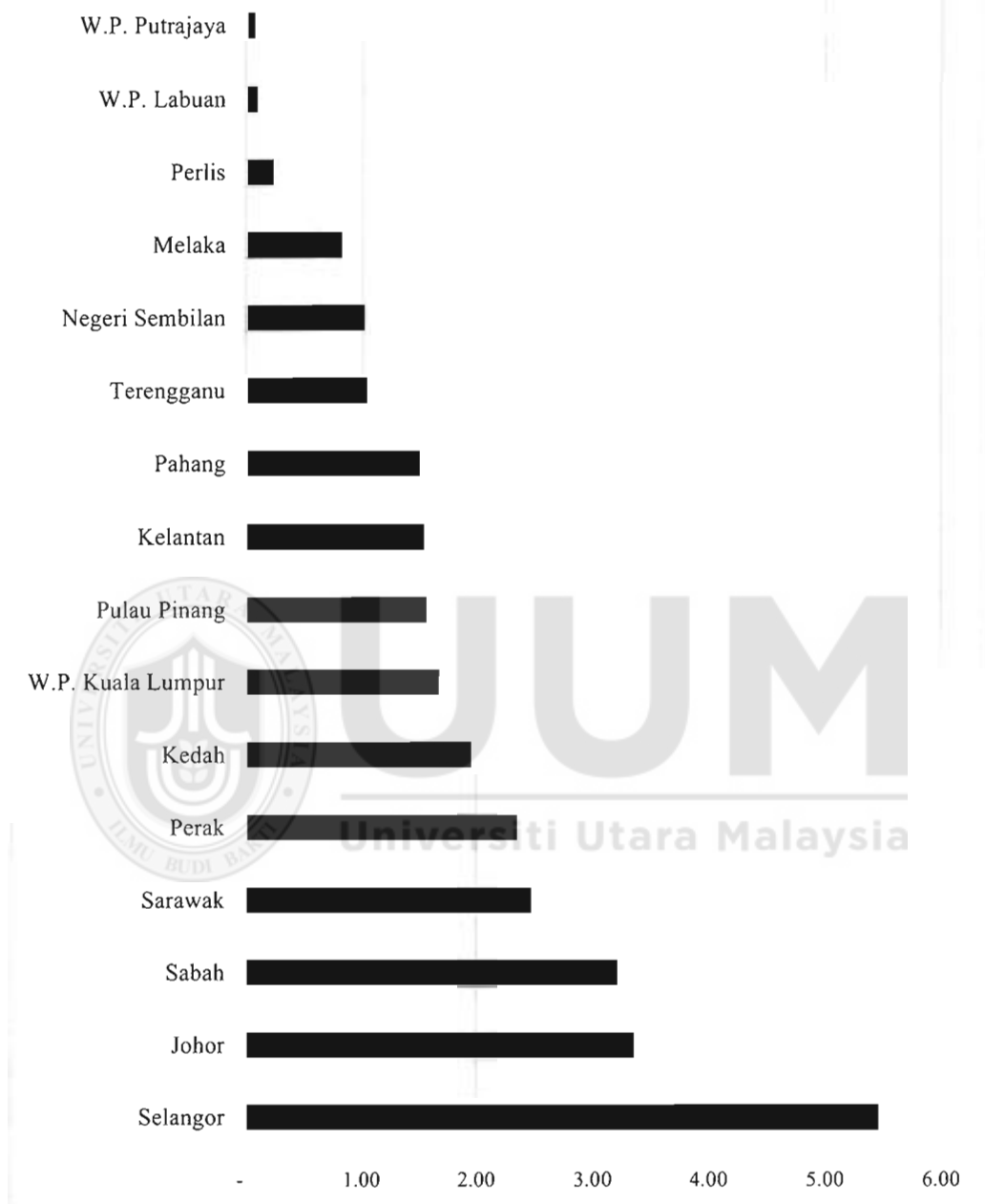
2010 Malaysia Population distribution by age group

| Kumpulan | Warganegara Malaysia | | | | |
|----------|----------------------|------------|------------|------------|-----------------|
| Umur | Jumlah | Jumlah | Bumiputera | Melayu | Bumiputera Lain |
| 0-4 | 3,291,816 | 3,008,310 | 2,252,600 | 1,875,496 | 377,104 |
| 5-9 | 3,049,120 | 2,783,526 | 2,031,272 | 1,684,274 | 346,998 |
| 10-14 | 2,824,107 | 2,686,033 | 1,909,243 | 1,571,678 | 337,565 |
| 15-19 | 2,646,135 | 2,548,123 | 1,823,433 | 1,489,105 | 334,328 |
| 20-24 | 2,553,047 | 2,442,423 | 1,717,509 | 1,404,789 | 312,720 |
| 25-29 | 2,378,080 | 2,225,347 | 1,531,967 | 1,249,339 | 282,628 |
| 30-34 | 2,111,549 | 1,851,466 | 1,211,260 | 980,281 | 230,979 |
| 35-39 | 1,925,924 | 1,660,763 | 1,046,792 | 845,936 | 200,856 |
| 40-44 | 1,825,245 | 1,628,881 | 1,015,144 | 825,516 | 189,628 |
| 45-49 | 1,637,938 | 1,489,555 | 906,805 | 743,333 | 163,472 |
| 50-55 | 1,400,087 | 1,313,129 | 768,898 | 642,880 | 126,018 |
| 55-59 | 1,130,881 | 1,080,442 | 615,041 | 518,429 | 96,612 |
| 60-64 | 785,732 | 756,705 | 421,659 | 352,515 | 69,144 |
| 65-69 | 545,587 | 531,774 | 289,008 | 239,513 | 49,495 |
| 70-74 | 376,193 | 366,104 | 196,636 | 159,908 | 36,728 |
| 75-79 | 221,017 | 215,468 | 111,897 | 89,246 | 22,651 |
| 80-84 | 123,151 | 117,986 | 60,139 | 47,758 | 12,381 |
| 85-89 | 50,858 | 48,367 | 21,237 | 16,332 | 4,905 |
| 90-94 | 21,173 | 20,060 | 9,721 | 7,772 | 1,949 |
| 95+ | 11,155 | 10,503 | 7,110 | 5,278 | 1,832 |
| Jumlah | 28,908,795 | 26,784,965 | 17,947,371 | 14,749,378 | 3,197,993 |

| Kumpulan | Warganegara Malaysia | | | Bukan |
|----------|----------------------|-----------|-----------|----------------------|
| | Cina | India | Lain-lain | Warganegara Malaysia |
| 0-4 | 533,343 | 186,170 | 36,197 | 283,506 |
| 5-9 | 533,096 | 182,130 | 37,028 | 265,594 |
| 10-14 | 545,232 | 184,772 | 46,786 | 138,074 |
| 15-19 | 512,152 | 170,895 | 41,643 | 98,012 |
| 20-24 | 517,503 | 171,946 | 35,465 | 110,624 |
| 25-29 | 500,162 | 164,033 | 29,185 | 152,733 |
| 30-34 | 466,935 | 151,238 | 22,033 | 260,083 |
| 35-39 | 452,345 | 142,359 | 19,267 | 265,161 |
| 40-44 | 457,633 | 136,702 | 19,402 | 196,364 |
| 45-49 | 440,370 | 125,920 | 16,460 | 148,383 |
| 50-55 | 415,616 | 114,310 | 14,305 | 86,958 |
| 55-59 | 361,857 | 92,404 | 11,140 | 50,439 |
| 60-64 | 270,873 | 57,347 | 6,826 | 29,027 |
| 65-69 | 201,212 | 37,159 | 4,395 | 13,813 |
| 70-74 | 140,889 | 25,560 | 3,019 | 10,089 |
| 75-79 | 87,473 | 14,320 | 1,778 | 5,549 |
| 80-84 | 48,635 | 7,543 | 1,669 | 5,165 |
| 85-89 | 23,584 | 2,907 | 639 | 2,491 |
| 90-94 | 8,949 | 1,115 | 275 | 1,113 |
| 95+ | 2,700 | 513 | 180 | 652 |
| Jumlah | 6,520,559 | 1,969,343 | 347,692 | 2,123,830 |

Source: Department of Statistics Malaysia, official Portal

Taburan Penduduk Mengikut Negeri, Malaysia, 2010



Source: Department of Statistics Malaysia, official Portal

APPENDIX 4

| Descriptive Statistics | | | | | | | |
|---|-----------|-----------|-----------|-----------|------------|----------------|-----------|
| | N | Minimum | Maximum | Mean | | Std. Deviation | Variance |
| | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Statistic |
| Buying decision influence by advertising | 30 | 1 | 5 | 3.17 | .209 | 1.147 | 1.316 |
| Buying decision based on financial power | 30 | 3 | 5 | 4.53 | .124 | .681 | .464 |
| Buying product using own money or savings | 30 | 2 | 5 | 2.97 | .222 | 1.217 | 1.482 |
| Buying product without using it. | 30 | 1 | 5 | 2.43 | .207 | 1.135 | 1.289 |
| Buying product for collection. (Different colour and shape with same function). | 30 | 1 | 5 | 2.40 | .233 | 1.276 | 1.628 |
| I will buy product that usually used by mid-high level person. | 30 | 1 | 5 | 3.17 | .225 | 1.234 | 1.523 |
| I will buy product that have good reputation. | 30 | 2 | 5 | 3.50 | .164 | .900 | .810 |
| Feeling inferior if do not have good product. | 30 | 1 | 5 | 3.03 | .227 | 1.245 | 1.551 |

| | N | Minimum | Maximum | Mean | | Std. Deviation | Variance |
|---|-----------|-----------|-----------|-----------|------------|----------------|-----------|
| | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Statistic |
| I always spend more than I can afford due to social status. | 30 | 1 | 5 | 2.63 | .247 | 1.351 | 1.826 |
| Parents' asked to buy only branded product. | 30 | 1 | 5 | 2.00 | .244 | 1.339 | 1.793 |
| I will buy product if I can get free product. | 30 | 2 | 5 | 3.23 | .184 | 1.006 | 1.013 |
| Free product can be reason to induces me for impluse buying. | 30 | 1 | 5 | 3.00 | .214 | 1.174 | 1.379 |
| I will buy product with discount price. | 30 | 2 | 5 | 4.07 | .159 | .868 | .754 |
| I tend to buy impulse if I see discount is offered. | 30 | 1 | 5 | 3.47 | .213 | 1.167 | 1.361 |
| I always spend more than I can afford due to promotion given. | 30 | 1 | 5 | 2.83 | .267 | 1.464 | 2.144 |
| I will buy expensive product to show prestige. | 30 | 1 | 5 | 2.60 | .270 | 1.476 | 2.179 |

| | N | Minimum | Maximum | Mean | | Std. Deviation | Variance |
|--|-----------|-----------|-----------|-----------|------------|----------------|-----------|
| | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Statistic |
| Feeling arrogant in buying product that have good reputation. | 30 | 1 | 5 | 3.00 | .263 | 1.438 | 2.069 |
| Family always remind to buy good and quality product. | 30 | 1 | 5 | 3.20 | .222 | 1.215 | 1.476 |
| The most important thing for me is the image of store in buying goods. | 30 | 1 | 5 | 3.03 | .232 | 1.273 | 1.620 |
| I always spend more than I can afford due to peer pressure. | 30 | 1 | 5 | 2.63 | .265 | 1.450 | 2.102 |
| Valid N (listwise) | 30 | | | | | | |

APPENDIX 5

| | N | Skewness Kurtosis | |
|---------|-----------|-------------------|------------|
| | Statistic | Std. Error | Std. Error |
| Valid N | 30 | 0.427 | 0.833 |

Descriptive Statistics

| | N | Skewness | | Kurtosis | |
|---|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Buying decision influence by advertising | 30 | .239 | .427 | -.935 | .833 |
| Buying decision based on financial power | 30 | -1.179 | .427 | .229 | .833 |
| Buying product using own money or savings | 30 | .682 | .427 | -1.267 | .833 |
| Buying product without using it. | 30 | .707 | .427 | -.595 | .833 |
| Buying product for collection. (Different colour and shape with same function). | 30 | .453 | .427 | -1.204 | .833 |
| I will buy product that usually used by mid-high level person. | 30 | .015 | .427 | -1.123 | .833 |
| I will buy product that have good reputation. | 30 | -.304 | .427 | -.632 | .833 |
| Feeling inferior if do not have good product. | 30 | .048 | .427 | -1.073 | .833 |

| | N | Skewness | | Kurtosis | |
|---|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| I always spend more than I can afford due to social status. | 30 | .460 | .427 | -1.216 | .833 |
| Parents' asked to buy only branded product. | 30 | 1.108 | .427 | -.118 | .833 |
| I will buy product if I can get free product. | 30 | .147 | .427 | -1.123 | .833 |
| Free product can be reason to induces me for impulse buying. | 30 | .137 | .427 | -.573 | .833 |
| I will buy product with discount price. | 30 | -.812 | .427 | .337 | .833 |
| I tend to buy impulse if I see discount is offered. | 30 | -.752 | .427 | .082 | .833 |
| I always spend more than I can afford due to promotion given. | 30 | .167 | .427 | -1.435 | .833 |
| I will buy expensive product to show prestige. | 30 | .686 | .427 | -1.031 | .833 |

| | N | Skewness | | Kurtosis | |
|--|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Feeling arrogant in buying product that have good reputation. | 30 | .223 | .427 | -1.435 | .833 |
| Family always remind to buy good and quality product. | 30 | .084 | .427 | -1.343 | .833 |
| The most important thing for me is the image of store in buying goods. | 30 | .471 | .427 | -1.280 | .833 |
| I always spend more than I can afford due to peer pressure. | 30 | .552 | .427 | -1.167 | .833 |
| Valid N (listwise) | 30 | | | | |

APPENDIX 6

Correlation Matrix

| Item | 15 | 16 | 17 | 18 | 19 |
|------|-------|-------|-------|-------|-------|
| 15 | 1.000 | .323 | -.440 | .737 | .754 |
| 16 | .323 | 1.000 | -.103 | .048 | .024 |
| 17 | -.440 | -.103 | 1.000 | -.488 | -.568 |
| 18 | .737 | .048 | -.488 | 1.000 | .852 |
| 19 | .754 | .024 | -.568 | .852 | 1.000 |
| 20 | .540 | .137 | -.226 | .710 | .613 |
| 21 | .484 | -.169 | -.110 | .591 | .601 |
| 22 | .575 | .060 | -.386 | .551 | .534 |
| 23 | .641 | -.080 | -.553 | .692 | .768 |
| 24 | .426 | -.113 | -.338 | .544 | .606 |
| 25 | .622 | .215 | -.528 | .633 | .569 |
| 26 | .691 | -.086 | -.289 | .724 | .644 |
| 27 | .162 | .113 | .198 | .215 | .162 |
| 28 | .404 | -.020 | .108 | .415 | .403 |
| 29 | .633 | -.046 | -.332 | .605 | .702 |
| 30 | .794 | .185 | -.641 | .786 | .784 |
| 31 | .710 | .281 | -.414 | .634 | .639 |
| 32 | .544 | .117 | -.252 | .410 | .525 |
| 33 | .775 | .178 | -.266 | .610 | .714 |
| 34 | .764 | .135 | -.593 | .728 | .753 |

| Item | 20 | 21 | 22 | 23 | 24 |
|------|-------|-------|-------|-------|-------|
| 15 | .540 | .484 | .575 | .641 | .426 |
| 16 | .137 | -.169 | .060 | -.080 | -.113 |
| 17 | -.226 | -.110 | -.386 | -.553 | -.338 |
| 18 | .710 | .591 | .551 | .692 | .544 |
| 19 | .613 | .601 | .534 | .768 | .606 |
| 20 | 1.000 | .636 | .400 | .410 | .543 |
| 21 | .636 | 1.000 | .723 | .524 | .515 |
| 22 | .400 | .723 | 1.000 | .643 | .310 |
| 23 | .410 | .524 | .643 | 1.000 | .476 |
| 24 | .543 | .515 | .310 | .476 | 1.000 |
| 25 | .467 | .324 | .434 | .521 | .409 |
| 26 | .690 | .783 | .613 | .630 | .592 |
| 27 | .440 | .353 | .189 | .110 | .178 |
| 28 | .687 | .755 | .392 | .309 | .375 |
| 29 | .455 | .693 | .798 | .857 | .440 |
| 30 | .625 | .571 | .702 | .840 | .506 |
| 31 | .311 | .479 | .616 | .727 | .465 |
| 32 | .529 | .631 | .543 | .424 | .339 |
| 33 | .567 | .617 | .478 | .649 | .648 |
| 34 | .536 | .542 | .656 | .914 | .480 |

| Item | 25 | 26 | 27 | 28 | 29 |
|------|-------|-------|-------|-------|-------|
| 15 | .622 | .691 | .162 | .404 | .633 |
| 16 | .215 | -.086 | .113 | -.020 | -.046 |
| 17 | -.528 | -.289 | .198 | .108 | -.332 |
| 18 | .633 | .724 | .215 | .415 | .605 |
| 19 | .569 | .644 | .162 | .403 | .702 |
| 20 | .467 | .690 | .440 | .687 | .455 |
| 21 | .324 | .783 | .353 | .755 | .693 |
| 22 | .434 | .613 | .189 | .392 | .798 |
| 23 | .521 | .630 | .110 | .309 | .857 |
| 24 | .409 | .592 | .178 | .375 | .440 |
| 25 | 1.000 | .613 | .495 | .198 | .402 |
| 26 | .613 | 1.000 | .440 | .705 | .662 |
| 27 | .495 | .440 | 1.000 | .615 | .253 |
| 28 | .198 | .705 | .615 | 1.000 | .552 |
| 29 | .402 | .662 | .253 | .552 | 1.000 |
| 30 | .692 | .756 | .237 | .412 | .766 |
| 31 | .476 | .572 | .138 | .349 | .737 |
| 32 | .440 | .580 | .281 | .516 | .504 |
| 33 | .586 | .738 | .404 | .547 | .651 |
| 34 | .604 | .709 | .212 | .410 | .815 |

| Item | 30 | 31 | 32 | 33 | 34 |
|------|-------|-------|-------|-------|-------|
| 15 | .794 | .710 | .544 | .775 | .764 |
| 16 | .185 | .281 | .117 | .178 | .135 |
| 17 | -.641 | -.414 | -.252 | -.266 | -.593 |
| 18 | .786 | .634 | .410 | .610 | .728 |
| 19 | .784 | .639 | .525 | .714 | .753 |
| 20 | .625 | .311 | .529 | .567 | .536 |
| 21 | .571 | .479 | .631 | .617 | .542 |
| 22 | .702 | .616 | .543 | .478 | .656 |
| 23 | .840 | .727 | .424 | .649 | .914 |
| 24 | .506 | .465 | .339 | .648 | .480 |
| 25 | .692 | .476 | .440 | .586 | .604 |
| 26 | .756 | .572 | .580 | .738 | .709 |
| 27 | .237 | .138 | .281 | .404 | .212 |
| 28 | .412 | .349 | .516 | .547 | .410 |
| 29 | .766 | .737 | .504 | .651 | .815 |
| 30 | 1.000 | .731 | .585 | .742 | .928 |
| 31 | .731 | 1.000 | .335 | .716 | .810 |
| 32 | .585 | .335 | 1.000 | .687 | .532 |
| 33 | .742 | .716 | .687 | 1.000 | .773 |
| 34 | .928 | .810 | .532 | .773 | 1.000 |

Anti-image Matric - Covariance

| Item | 15 | 16 | 17 | 18 | 19 |
|------|-------|-------|-------|-------|-------|
| 15 | .063 | -.034 | -.036 | -.007 | -.031 |
| 16 | -.034 | .300 | -.007 | .047 | -.001 |
| 17 | -.036 | -.007 | .097 | -.028 | .052 |
| 18 | -.007 | .047 | -.028 | .087 | -.037 |
| 19 | -.031 | -.001 | .052 | -.037 | .056 |
| 20 | .023 | -.072 | -.033 | -.041 | -.014 |
| 21 | .038 | .012 | -.036 | .003 | -.029 |
| 22 | -.036 | -.006 | .038 | -.006 | .030 |
| 23 | .013 | .010 | -.021 | .001 | -.019 |
| 24 | .031 | .033 | .042 | .000 | .001 |
| 25 | -.040 | .001 | .052 | -.011 | .029 |
| 26 | -.003 | .052 | -.017 | -.013 | .008 |
| 27 | .047 | -.014 | -.047 | .003 | -.028 |
| 28 | -.031 | .004 | .031 | .002 | .019 |
| 29 | .014 | .025 | -.035 | .022 | -.026 |
| 30 | .003 | -.033 | .014 | -.010 | -.001 |
| 31 | .030 | -.074 | -.023 | -.031 | -.011 |
| 32 | .051 | -.026 | -.031 | .005 | -.029 |
| 33 | -.030 | .010 | -.006 | .020 | -.001 |
| 34 | -.011 | .007 | .029 | -.005 | .019 |

| Item | 20 | 21 | 22 | 23 | 24 |
|------|-------|-------|-------|-------|-------|
| 15 | .023 | .038 | -.036 | .013 | .031 |
| 16 | -.072 | .012 | -.006 | .010 | .033 |
| 17 | -.033 | -.036 | .038 | -.021 | .042 |
| 18 | -.041 | .003 | -.006 | .001 | .000 |
| 19 | -.014 | -.029 | .030 | -.019 | .001 |
| 20 | .115 | .009 | -.016 | .020 | -.063 |
| 21 | .009 | .056 | -.043 | .004 | .009 |
| 22 | -.016 | -.043 | .050 | -.002 | -.008 |
| 23 | .020 | .004 | -.002 | .051 | -.017 |
| 24 | -.063 | .009 | -.008 | -.017 | .240 |
| 25 | -.025 | -.029 | .033 | -.014 | -.005 |
| 26 | .018 | -.003 | -.013 | -.002 | -.023 |
| 27 | .025 | .036 | -.038 | .012 | .017 |
| 28 | -.029 | -.031 | .033 | -.001 | -.002 |
| 29 | .009 | .023 | -.034 | -.016 | -.006 |
| 30 | -.010 | .006 | -.007 | -.001 | .007 |
| 31 | .060 | .017 | -.026 | .015 | -.015 |
| 32 | .025 | .029 | -.050 | .012 | .057 |
| 33 | -.005 | -.020 | .023 | .004 | -.056 |
| 34 | -.022 | -.007 | .010 | -.025 | .029 |

| Item | 25 | 26 | 27 | 28 | 29 |
|------|-------|-------|-------|-------|-------|
| 15 | -.040 | -.003 | .047 | -.031 | .014 |
| 16 | .001 | .052 | -.014 | .004 | .025 |
| 17 | .052 | -.017 | -.047 | .031 | -.035 |
| 18 | -.011 | -.013 | .003 | .002 | .022 |
| 19 | .029 | .008 | -.028 | .019 | -.026 |
| 20 | -.025 | .018 | .025 | -.029 | .009 |
| 21 | -.029 | -.003 | .036 | -.031 | .023 |
| 22 | .033 | -.013 | -.038 | .033 | -.034 |
| 23 | -.014 | -.002 | .012 | -.001 | -.016 |
| 24 | -.005 | -.023 | .017 | -.002 | -.006 |
| 25 | .065 | -.029 | -.055 | .038 | -.019 |
| 26 | -.029 | .093 | .018 | -.025 | .018 |
| 27 | -.055 | .018 | .060 | -.039 | .020 |
| 28 | .038 | -.025 | -.039 | .035 | -.024 |
| 29 | -.019 | .018 | .020 | -.024 | .052 |
| 30 | -.003 | -.020 | .002 | .001 | -.006 |
| 31 | -.030 | .014 | .036 | -.027 | .001 |
| 32 | -.055 | .027 | .060 | -.043 | .022 |
| 33 | .017 | -.010 | -.026 | .018 | -.004 |
| 34 | .017 | -.004 | -.014 | .008 | -.006 |

| Item | 30 | 31 | 32 | 33 | 34 |
|------|-------|-------|-------|-------|-------|
| 15 | .003 | .030 | .051 | -.030 | -.011 |
| 16 | -.033 | -.074 | -.026 | .010 | .007 |
| 17 | .014 | -.023 | -.031 | -.006 | .029 |
| 18 | -.010 | -.031 | .005 | .020 | -.005 |
| 19 | -.001 | -.011 | -.029 | -.001 | .019 |
| 20 | -.010 | .060 | .025 | -.005 | -.022 |
| 21 | .006 | .017 | .029 | -.020 | -.007 |
| 22 | -.007 | -.026 | -.050 | .023 | .010 |
| 23 | -.001 | .015 | .012 | .004 | -.025 |
| 24 | .007 | -.015 | .057 | -.056 | .029 |
| 25 | -.003 | -.030 | -.055 | .017 | .017 |
| 26 | -.020 | .014 | .027 | -.010 | -.004 |
| 27 | .002 | .036 | .060 | -.026 | -.014 |
| 28 | .001 | -.027 | -.043 | .018 | .008 |
| 29 | -.006 | .001 | .022 | -.004 | -.006 |
| 30 | .064 | .010 | -.002 | -.005 | -.012 |
| 31 | .010 | .080 | .062 | -.027 | -.020 |
| 32 | -.002 | .062 | .155 | -.055 | -.011 |
| 33 | -.005 | -.027 | -.055 | .044 | -.007 |
| 34 | -.012 | -.020 | -.011 | -.007 | .026 |

Anti-image Correlation

| Item | 15 | 16 | 17 | 18 | 19 |
|------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | .639 ^a | -.249 | -.459 | -.089 | -.524 |
| 16 | -.249 | .354 ^a | -.038 | .289 | -.005 |
| 17 | -.459 | -.038 | .461 ^a | -.306 | .705 |
| 18 | -.089 | .289 | -.306 | .868 ^a | -.533 |
| 19 | -.524 | -.005 | .705 | -.533 | .704 ^a |
| 20 | .274 | -.387 | -.313 | -.407 | -.179 |
| 21 | .643 | .094 | -.486 | .037 | -.527 |
| 22 | -.648 | -.050 | .547 | -.096 | .573 |
| 23 | .237 | .084 | -.305 | .009 | -.352 |
| 24 | .257 | .122 | .275 | .003 | .013 |
| 25 | -.634 | .004 | .657 | -.147 | .484 |
| 26 | -.033 | .310 | -.180 | -.140 | .114 |
| 27 | .769 | -.106 | -.619 | .038 | -.492 |
| 28 | -.650 | .035 | .536 | .042 | .441 |
| 29 | .245 | .197 | -.496 | .322 | -.481 |
| 30 | .041 | -.241 | .177 | -.130 | -.012 |
| 31 | .429 | -.475 | -.258 | -.370 | -.166 |
| 32 | .517 | -.119 | -.249 | .041 | -.317 |
| 33 | -.577 | .091 | -.098 | .327 | -.028 |
| 34 | -.269 | .078 | .579 | -.111 | .502 |

| Item | 20 | 21 | 22 | 23 | 24 |
|------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | .274 | .643 | -.648 | .237 | .257 |
| 16 | -.387 | .094 | -.050 | .084 | .122 |
| 17 | -.313 | -.486 | .547 | -.305 | .275 |
| 18 | -.407 | .037 | -.096 | .009 | .003 |
| 19 | -.179 | -.527 | .573 | -.352 | .013 |
| 20 | .740 ^a | .117 | -.208 | .267 | -.379 |
| 21 | .117 | .645 ^a | -.813 | .068 | .080 |
| 22 | -.208 | -.813 | .547 ^a | -.030 | -.074 |
| 23 | .267 | .068 | -.030 | .864 ^a | -.151 |
| 24 | -.379 | .080 | -.074 | -.151 | .811 ^a |
| 25 | -.287 | -.485 | .590 | -.242 | -.038 |
| 26 | .173 | -.039 | -.193 | -.026 | -.153 |
| 27 | .301 | .628 | -.702 | .210 | .139 |
| 28 | -.455 | -.690 | .777 | -.031 | -.018 |
| 29 | .117 | .421 | -.666 | -.303 | -.056 |
| 30 | -.116 | .100 | -.123 | -.023 | .059 |
| 31 | .627 | .257 | -.414 | .235 | -.111 |
| 32 | .187 | .314 | -.568 | .133 | .293 |
| 33 | -.065 | -.413 | .502 | .095 | -.552 |
| 34 | -.405 | -.169 | .284 | -.672 | .366 |

| Item | 25 | 26 | 27 | 28 | 29 |
|------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | -.634 | -.033 | .769 | -.650 | .245 |
| 16 | .004 | .310 | -.106 | .035 | .197 |
| 17 | .657 | -.180 | -.619 | .536 | -.496 |
| 18 | -.147 | -.140 | .038 | .042 | .322 |
| 19 | .484 | .114 | -.492 | .441 | -.481 |
| 20 | -.287 | .173 | .301 | -.455 | .117 |
| 21 | -.485 | -.039 | .628 | -.690 | .421 |
| 22 | .590 | -.193 | -.702 | .777 | -.666 |
| 23 | -.242 | -.026 | .210 | -.031 | -.303 |
| 24 | -.038 | -.153 | .139 | -.018 | -.056 |
| 25 | .533 ^a | -.377 | -.889 | .787 | -.330 |
| 26 | -.377 | .894 ^a | .246 | -.430 | .255 |
| 27 | -.889 | .246 | .263 ^a | -.854 | .353 |
| 28 | .787 | -.430 | -.854 | .459 ^a | -.554 |
| 29 | -.330 | .255 | .353 | -.554 | .769 ^a |
| 30 | -.044 | -.263 | .034 | .029 | -.101 |
| 31 | -.417 | .167 | .513 | -.505 | .011 |
| 32 | -.544 | .222 | .624 | -.581 | .246 |
| 33 | .318 | -.160 | -.514 | .472 | -.081 |
| 34 | .404 | -.085 | -.342 | .271 | -.174 |

| Item | 30 | 31 | 32 | 33 | 34 |
|------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | .041 | .429 | .517 | -.577 | -.269 |
| 16 | -.241 | -.475 | -.119 | .091 | .078 |
| 17 | .177 | -.258 | -.249 | -.098 | .579 |
| 18 | -.130 | -.370 | .041 | .327 | -.111 |
| 19 | -.012 | -.166 | -.317 | -.028 | .502 |
| 20 | -.116 | .627 | .187 | -.065 | -.405 |
| 21 | .100 | .257 | .314 | -.413 | -.169 |
| 22 | -.123 | -.414 | -.568 | .502 | .284 |
| 23 | -.023 | .235 | .133 | .095 | -.672 |
| 24 | .059 | -.111 | .293 | -.552 | .366 |
| 25 | -.044 | -.417 | -.544 | .318 | .404 |
| 26 | -.263 | .167 | .222 | -.160 | -.085 |
| 27 | .034 | .513 | .624 | -.514 | -.342 |
| 28 | .029 | -.505 | -.581 | .472 | .271 |
| 29 | -.101 | .011 | .246 | -.081 | -.174 |
| 30 | .962 ^a | .137 | -.019 | -.087 | -.287 |
| 31 | .137 | .685 ^a | .560 | -.460 | -.428 |
| 32 | -.019 | .560 | .602 ^a | -.663 | -.175 |
| 33 | -.087 | -.460 | -.663 | .742 ^a | -.211 |
| 34 | -.287 | -.428 | -.175 | -.211 | .785 ^a |

APPENDIX 7

Total Variance Explained

| Component | Initial Eigenvalues | | | Loadings | | |
|-----------|---------------------|---------------|--------------|----------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 11.054 | 55.271 | 55.271 | 11.054 | 55.271 | 55.271 |
| 2 | 2.188 | 10.942 | 66.213 | 2.188 | 10.942 | 66.213 |
| 3 | 1.453 | 7.264 | 73.478 | 1.453 | 7.264 | 73.478 |
| 4 | 1.099 | 5.496 | 78.973 | 1.099 | 5.496 | 78.973 |
| 5 | .793 | 3.967 | 82.940 | | | |
| 6 | .759 | 3.796 | 86.736 | | | |
| 7 | .622 | 3.111 | 89.847 | | | |
| 8 | .459 | 2.295 | 92.141 | | | |
| 9 | .413 | 2.067 | 94.208 | | | |
| 10 | .309 | 1.547 | 95.755 | | | |
| 11 | .237 | 1.187 | 96.943 | | | |
| 12 | .181 | .903 | 97.846 | | | |
| 13 | .103 | .515 | 98.360 | | | |
| 14 | .098 | .488 | 98.849 | | | |
| 15 | .079 | .396 | 99.245 | | | |
| 16 | .053 | .263 | 99.508 | | | |
| 17 | .044 | .220 | 99.728 | | | |
| 18 | .028 | .142 | 99.870 | | | |
| 19 | .018 | .091 | 99.961 | | | |
| 20 | .008 | .039 | 100.000 | | | |

| Component | Rotation Sums of Squared Loadings | | |
|-----------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % |
| 1 | 5.757 | 28.787 | 28.787 |
| 2 | 4.724 | 23.621 | 52.408 |
| 3 | 3.843 | 19.213 | 71.621 |
| 4 | 1.471 | 7.353 | 78.973 |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |

Extraction Method: Principal Component Analysis.

APPENDIX 8

Descriptive Statistics

| | N | Minimum | Maximum | Mean | | Std. Deviation | Variance |
|--|-----------|-----------|-----------|-----------|------------|----------------|-----------|
| | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Statistic |
| Buying decision influence by advertising | 384 | 1 | 5 | 2.67 | .056 | 1.092 | 1.191 |
| Buying decision based on financial power | 384 | 1 | 5 | 4.27 | .044 | .861 | .741 |
| Buying product using own money or savings | 384 | 1 | 5 | 3.50 | .051 | 1.001 | 1.003 |
| Buying product without using it. | 384 | 1 | 5 | 2.26 | .052 | 1.022 | 1.044 |
| Buying product for collection. (Different colour and shape with same function). | 384 | 1 | 5 | 2.13 | .058 | 1.130 | 1.276 |
| I will buy product that usually used by mid-high level person. | 384 | 1 | 5 | 2.75 | .052 | 1.025 | 1.050 |
| I will buy product that have good reputation. | 384 | 1 | 5 | 3.37 | .050 | .983 | .965 |
| Feeling inferior if do not have good product. | 384 | 1 | 5 | 2.76 | .059 | 1.148 | 1.319 |
| I always spend more than I can afford due to social status. | 384 | 1 | 5 | 2.33 | .064 | 1.257 | 1.580 |
| Parents' asked to buy only branded product. | 384 | 1 | 5 | 1.94 | .059 | 1.149 | 1.320 |
| I will buy product if I can get free product. | 384 | 1 | 5 | 3.04 | .056 | 1.098 | 1.205 |
| Free product can be reason to induces me for impluse buying. | 384 | 1 | 5 | 2.88 | .053 | 1.046 | 1.095 |

| | N | Minimum | Maximum | Mean | | Std. Deviation | Variance |
|--|-----------|-----------|-----------|-----------|------------|----------------|-----------|
| | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Statistic |
| I will buy product with discount price. | 384 | 2 | 5 | 3.86 | .042 | .832 | .692 |
| I tend to buy impulse if I see discount is offered. | 384 | 1 | 5 | 3.29 | .049 | .958 | .918 |
| I always spend more than I can afford due to promotion given. | 384 | 1 | 5 | 2.69 | .061 | 1.188 | 1.411 |
| I will buy expensive product to show prestige. | 384 | 1 | 5 | 2.07 | .064 | 1.254 | 1.572 |
| Feeling arrogant in buying product that have good reputation. | 384 | 1 | 5 | 2.43 | .064 | 1.245 | 1.551 |
| Family always remind to buy good and quality product. | 384 | 1 | 5 | 3.13 | .058 | 1.138 | 1.296 |
| The most important thing for me is the image of store in buying goods. | 384 | 1 | 5 | 2.72 | .055 | 1.074 | 1.154 |
| I always spend more than I can afford due to peer pressure. | 384 | 1 | 5 | 2.21 | .063 | 1.226 | 1.502 |
| Valid N (listwise) | 384 | | | | | | |



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APPENDIX 9

Descriptive Statistics

| | N | Skewness | | Kurtosis | |
|--|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Buying decision influence by advertising | 384 | .456 | .125 | -.347 | .248 |
| Buying decision based on financial power | 384 | -.997 | .125 | .412 | .248 |
| Buying product using own money or savings | 384 | -.244 | .125 | -.683 | .248 |
| Buying product without using it. | 384 | .568 | .125 | -.433 | .248 |
| Buying product for collection. (Different colour and shape with same function). | 384 | .719 | .125 | -.533 | .248 |
| I will buy product that usually used by mid-high level person. | 384 | .355 | .125 | -.310 | .248 |
| I will buy product that have good reputation. | 384 | -.304 | .125 | -.338 | .248 |

| | N | Skewness | | Kurtosis | |
|--|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Feeling inferior if do not have good product. | 384 | .261 | .125 | -.698 | .248 |
| I always spend more than I can afford due to social status. | 384 | .665 | .125 | -.677 | .248 |
| Parents' asked to buy only branded product. | 384 | 1.104 | .125 | .210 | .248 |
| I will buy product if I can get free product. | 384 | .201 | .125 | -.569 | .248 |
| Free product can be reason to induces me for impluse buying. | 384 | .260 | .125 | -.423 | .248 |
| I will buy product with discount price. | 384 | -.289 | .125 | -.539 | .248 |
| I tend to buy impulse if I see discount is offered. | 384 | -.117 | .125 | -.440 | .248 |
| I always spend more than I can afford due to promotion given. | 384 | .295 | .125 | -.817 | .248 |
| I will buy expensive product to show prestige. | 384 | 1.205 | .125 | .394 | .248 |
| Feeling arrogant in buying product that have good reputation. | 384 | .632 | .125 | -.564 | .248 |
| Family always remind to buy good and quality product. | 384 | -.145 | .125 | -.746 | .248 |
| The most important thing for me is the image of store in buying goods. | 384 | .191 | .125 | -.660 | .248 |
| I always spend more than I can afford due to peer pressure. | 384 | .922 | .125 | -.134 | .248 |
| Valid N (listwise) | 384 | | | | |

APPENDIX 10

Correlation Matrix

| Item | 15 | 16 | 17 | 18 | 19 |
|------|-------|-------|-------|-------|-------|
| 15 | 1.000 | .289 | -.229 | .462 | .417 |
| 16 | .289 | 1.000 | .034 | .083 | .053 |
| 17 | -.229 | .034 | 1.000 | -.211 | -.255 |
| 18 | .462 | .083 | -.211 | 1.000 | .557 |
| 19 | .417 | .053 | -.255 | .557 | 1.000 |
| 20 | .506 | .142 | -.151 | .441 | .465 |
| 21 | .379 | .115 | -.053 | .314 | .324 |
| 22 | .426 | .073 | -.198 | .404 | .392 |
| 23 | .505 | .098 | -.262 | .425 | .489 |
| 24 | .428 | .090 | -.147 | .360 | .430 |
| 25 | .474 | .219 | -.128 | .308 | .344 |
| 26 | .548 | .156 | -.124 | .423 | .360 |
| 27 | .351 | .190 | .031 | .112 | .102 |
| 28 | .444 | .122 | -.055 | .308 | .231 |
| 29 | .491 | .103 | -.165 | .323 | .405 |
| 30 | .638 | .247 | -.281 | .512 | .477 |
| 31 | .533 | .167 | -.261 | .413 | .449 |
| 32 | .298 | .059 | -.150 | .258 | .302 |
| 33 | .429 | .123 | -.135 | .355 | .404 |
| 34 | .527 | .115 | -.295 | .442 | .499 |

| | 20 | 21 | 22 | 23 | 24 |
|----|-------|-------|-------|-------|-------|
| 15 | .506 | .379 | .426 | .505 | .428 |
| 16 | .142 | .115 | .073 | .098 | .090 |
| 17 | -.151 | -.053 | -.198 | -.262 | -.147 |
| 18 | .441 | .314 | .404 | .425 | .360 |
| 19 | .465 | .324 | .392 | .489 | .430 |
| 20 | 1.000 | .567 | .514 | .553 | .531 |
| 21 | .567 | 1.000 | .458 | .391 | .367 |
| 22 | .514 | .458 | 1.000 | .559 | .474 |
| 23 | .553 | .391 | .559 | 1.000 | .527 |
| 24 | .531 | .367 | .474 | .527 | 1.000 |
| 25 | .363 | .307 | .430 | .408 | .387 |
| 26 | .498 | .415 | .453 | .478 | .430 |
| 27 | .270 | .241 | .241 | .263 | .235 |
| 28 | .397 | .363 | .301 | .379 | .339 |
| 29 | .448 | .324 | .487 | .632 | .487 |
| 30 | .651 | .412 | .581 | .667 | .581 |
| 31 | .577 | .478 | .548 | .620 | .525 |
| 32 | .362 | .381 | .408 | .342 | .431 |
| 33 | .538 | .452 | .477 | .551 | .477 |
| 34 | .584 | .384 | .560 | .764 | .539 |

| | 25 | 26 | 27 | 28 | 29 |
|----|-------|-------|-------|-------|-------|
| 15 | .474 | .548 | .351 | .444 | .491 |
| 16 | .219 | .156 | .190 | .122 | .103 |
| 17 | -.128 | -.124 | .031 | -.055 | -.165 |
| 18 | .308 | .423 | .112 | .308 | .323 |
| 19 | .344 | .360 | .102 | .231 | .405 |
| 20 | .363 | .498 | .270 | .397 | .448 |
| 21 | .307 | .415 | .241 | .363 | .324 |
| 22 | .430 | .453 | .241 | .301 | .487 |
| 23 | .408 | .478 | .263 | .379 | .632 |
| 24 | .387 | .430 | .235 | .339 | .487 |
| 25 | 1.000 | .688 | .469 | .417 | .479 |
| 26 | .688 | 1.000 | .455 | .612 | .505 |
| 27 | .469 | .455 | 1.000 | .597 | .348 |
| 28 | .417 | .612 | .597 | 1.000 | .503 |
| 29 | .479 | .505 | .348 | .503 | 1.000 |
| 30 | .526 | .566 | .314 | .379 | .594 |
| 31 | .476 | .509 | .227 | .378 | .544 |
| 32 | .379 | .386 | .270 | .330 | .386 |
| 33 | .394 | .464 | .232 | .378 | .474 |
| 34 | .493 | .557 | .258 | .412 | .681 |

| | 30 | 31 | 32 | 33 | 34 |
|----|-------|-------|-------|-------|-------|
| 15 | .638 | .533 | .298 | .429 | .527 |
| 16 | .247 | .167 | .059 | .123 | .115 |
| 17 | -.281 | -.261 | -.150 | -.135 | -.295 |
| 18 | .512 | .413 | .258 | .355 | .442 |
| 19 | .477 | .449 | .302 | .404 | .499 |
| 20 | .651 | .577 | .362 | .538 | .584 |
| 21 | .412 | .478 | .381 | .452 | .384 |
| 22 | .581 | .548 | .408 | .477 | .560 |
| 23 | .667 | .620 | .342 | .551 | .764 |
| 24 | .581 | .525 | .431 | .477 | .539 |
| 25 | .526 | .476 | .379 | .394 | .493 |
| 26 | .566 | .509 | .386 | .464 | .557 |
| 27 | .314 | .227 | .270 | .232 | .258 |
| 28 | .379 | .378 | .330 | .378 | .412 |
| 29 | .594 | .544 | .386 | .474 | .681 |
| 30 | 1.000 | .766 | .455 | .572 | .772 |
| 31 | .766 | 1.000 | .472 | .583 | .715 |
| 32 | .455 | .472 | 1.000 | .556 | .407 |
| 33 | .572 | .583 | .556 | 1.000 | .628 |
| 34 | .772 | .715 | .407 | .628 | 1.000 |

Anti-image Matric - Covariance

| | 15 | 16 | 17 | 18 | 19 |
|----|-------|-------|-------|-------|-------|
| 15 | .472 | -.117 | .071 | -.063 | -.031 |
| 16 | -.117 | .848 | -.074 | .022 | .022 |
| 17 | .071 | -.074 | .834 | .009 | .065 |
| 18 | -.063 | .022 | .009 | .554 | -.202 |
| 19 | -.031 | .022 | .065 | -.202 | .550 |
| 20 | -.017 | .006 | -.024 | -.009 | -.056 |
| 21 | -.026 | -.021 | -.053 | -.006 | -.014 |
| 22 | .007 | .044 | .023 | -.052 | .015 |
| 23 | -.017 | .012 | .031 | -.011 | -.038 |
| 24 | -.007 | .025 | -.037 | .011 | -.057 |
| 25 | -.015 | -.065 | .006 | .020 | -.049 |
| 26 | -.045 | .031 | -.023 | -.046 | .020 |
| 27 | -.031 | -.041 | -.059 | .077 | .028 |
| 28 | -.034 | .006 | .007 | -.065 | .035 |
| 29 | -.039 | .022 | -.043 | .050 | -.034 |
| 30 | -.068 | -.069 | .025 | -.063 | .030 |
| 31 | -.011 | -.004 | .024 | .028 | -.011 |
| 32 | .050 | .040 | .057 | .008 | -.018 |
| 33 | -.014 | -.023 | -.058 | .006 | -.014 |
| 34 | .028 | .027 | .045 | .009 | -.021 |

| | 20 | 21 | 22 | 23 | 24 |
|----|-------|-------|-------|-------|-------|
| 15 | -.017 | -.026 | .007 | -.017 | -.007 |
| 16 | .006 | -.021 | .044 | .012 | .025 |
| 17 | -.024 | -.053 | .023 | .031 | -.037 |
| 18 | -.009 | -.006 | -.052 | -.011 | .011 |
| 19 | -.056 | -.014 | .015 | -.038 | -.057 |
| 20 | .414 | -.153 | -.029 | -.014 | -.068 |
| 21 | -.153 | .571 | -.094 | -.013 | .010 |
| 22 | -.029 | -.094 | .525 | -.058 | -.036 |
| 23 | -.014 | -.013 | -.058 | .348 | -.040 |
| 24 | -.068 | .010 | -.036 | -.040 | .552 |
| 25 | .047 | .014 | -.041 | .027 | -.011 |
| 26 | -.028 | -.027 | -.009 | .003 | -.002 |
| 27 | -.012 | -.003 | -.016 | -.029 | .013 |
| 28 | -.021 | -.033 | .044 | .009 | -.012 |
| 29 | .025 | .022 | -.040 | -.069 | -.036 |
| 30 | -.068 | .044 | -.023 | -.006 | -.041 |
| 31 | .002 | -.074 | -.020 | -.015 | -.010 |
| 32 | .041 | -.062 | -.042 | .049 | -.081 |
| 33 | -.047 | -.040 | -.011 | -.032 | -.012 |
| 34 | -.008 | .026 | -.002 | -.097 | .007 |

| | 25 | 26 | 27 | 28 | 29 |
|----|-------|-------|-------|-------|-------|
| 15 | -.015 | -.045 | -.031 | -.034 | -.039 |
| 16 | -.065 | .031 | -.041 | .006 | .022 |
| 17 | .006 | -.023 | -.059 | .007 | -.043 |
| 18 | .020 | -.046 | .077 | -.065 | .050 |
| 19 | -.049 | .020 | .028 | .035 | -.034 |
| 20 | .047 | -.028 | -.012 | -.021 | .025 |
| 21 | .014 | -.027 | -.003 | -.033 | .022 |
| 22 | -.041 | -.009 | -.016 | .044 | -.040 |
| 23 | .027 | .003 | -.029 | .009 | -.069 |
| 24 | -.011 | -.002 | .013 | -.012 | -.036 |
| 25 | .427 | -.183 | -.124 | .067 | -.042 |
| 26 | -.183 | .344 | .011 | -.130 | .019 |
| 27 | -.124 | .011 | .531 | -.216 | .004 |
| 28 | .067 | -.130 | -.216 | .420 | -.101 |
| 29 | -.042 | .019 | .004 | -.101 | .422 |
| 30 | -.011 | -.009 | -.040 | .051 | -.013 |
| 31 | -.028 | .009 | .055 | -.029 | .006 |
| 32 | -.030 | -.004 | -.045 | -.016 | -.034 |
| 33 | .002 | -.005 | .029 | -.022 | .020 |
| 34 | -.010 | -.026 | .024 | -.007 | -.079 |

| | 30 | 31 | 32 | 33 | 34 |
|----|-------|-------|-------|-------|-------|
| 15 | -.068 | -.011 | .050 | -.014 | .028 |
| 16 | -.069 | -.004 | .040 | -.023 | .027 |
| 17 | .025 | .024 | .057 | -.058 | .045 |
| 18 | -.063 | .028 | .008 | .006 | .009 |
| 19 | .030 | -.011 | -.018 | -.014 | -.021 |
| 20 | -.068 | .002 | .041 | -.047 | -.008 |
| 21 | .044 | -.074 | -.062 | -.040 | .026 |
| 22 | -.023 | -.020 | -.042 | -.011 | -.002 |
| 23 | -.006 | -.015 | .049 | -.032 | -.097 |
| 24 | -.041 | -.010 | -.081 | -.012 | .007 |
| 25 | -.011 | -.028 | -.030 | .002 | -.010 |
| 26 | -.009 | .009 | -.004 | -.005 | -.026 |
| 27 | -.040 | .055 | -.045 | .029 | .024 |
| 28 | .051 | -.029 | -.016 | -.022 | -.007 |
| 29 | -.013 | .006 | -.034 | .020 | -.079 |
| 30 | .220 | -.095 | -.032 | .011 | -.065 |
| 31 | -.095 | .331 | -.043 | -.026 | -.043 |
| 32 | -.032 | -.043 | .582 | -.177 | .034 |
| 33 | .011 | -.026 | -.177 | .451 | -.072 |
| 34 | -.065 | -.043 | .034 | -.072 | .231 |

Anti-image Matric - Correlation

| | 15 | 16 | 17 | 18 | 19 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | .959 ^a | -.184 | .113 | -.123 | -.060 |
| 16 | -.184 | .794 ^a | -.088 | .032 | .032 |
| 17 | .113 | -.088 | .877 ^a | .013 | .097 |
| 18 | -.123 | .032 | .013 | .910 ^a | -.366 |
| 19 | -.060 | .032 | .097 | -.366 | .928 ^a |
| 20 | -.037 | .010 | -.041 | -.018 | -.118 |
| 21 | -.051 | -.030 | -.077 | -.010 | -.025 |
| 22 | .014 | .066 | .034 | -.097 | .028 |
| 23 | -.042 | .022 | .058 | -.024 | -.087 |
| 24 | -.014 | .037 | -.054 | .021 | -.104 |
| 25 | -.033 | -.107 | .010 | .041 | -.102 |
| 26 | -.113 | .058 | -.043 | -.105 | .046 |
| 27 | -.063 | -.061 | -.089 | .142 | .051 |
| 28 | -.077 | .011 | .012 | -.134 | .074 |
| 29 | -.088 | .036 | -.072 | .104 | -.070 |
| 30 | -.210 | -.159 | .058 | -.181 | .086 |
| 31 | -.029 | -.008 | .046 | .066 | -.026 |
| 32 | .096 | .057 | .081 | .013 | -.032 |
| 33 | -.031 | -.038 | -.094 | .012 | -.029 |
| 34 | .084 | .061 | .103 | .025 | -.058 |

| | 20 | 21 | 22 | 23 | 24 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | -.037 | -.051 | .014 | -.042 | -.014 |
| 16 | .010 | -.030 | .066 | .022 | .037 |
| 17 | -.041 | -.077 | .034 | .058 | -.054 |
| 18 | -.018 | -.010 | -.097 | -.024 | .021 |
| 19 | -.118 | -.025 | .028 | -.087 | -.104 |
| 20 | .947 ^a | -.315 | -.062 | -.037 | -.142 |
| 21 | -.315 | .923 ^a | -.171 | -.029 | .018 |
| 22 | -.062 | -.171 | .971 ^a | -.136 | -.068 |
| 23 | -.037 | -.029 | -.136 | .954 ^a | -.091 |
| 24 | -.142 | .018 | -.068 | -.091 | .974 ^a |
| 25 | .112 | .029 | -.086 | .071 | -.022 |
| 26 | -.074 | -.061 | -.022 | .007 | -.004 |
| 27 | -.026 | -.005 | -.030 | -.068 | .024 |
| 28 | -.051 | -.068 | .095 | .024 | -.025 |
| 29 | .059 | .045 | -.086 | -.180 | -.076 |
| 30 | -.227 | .125 | -.069 | -.023 | -.116 |
| 31 | .005 | -.171 | -.047 | -.043 | -.024 |
| 32 | .084 | -.107 | -.076 | .109 | -.143 |
| 33 | -.108 | -.079 | -.022 | -.080 | -.025 |
| 34 | -.027 | .070 | -.006 | -.340 | .019 |

| | 25 | 26 | 27 | 28 | 29 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | -.033 | -.113 | -.063 | -.077 | -.088 |
| 16 | -.107 | .058 | -.061 | .011 | .036 |
| 17 | .010 | -.043 | -.089 | .012 | -.072 |
| 18 | .041 | -.105 | .142 | -.134 | .104 |
| 19 | -.102 | .046 | .051 | .074 | -.070 |
| 20 | .112 | -.074 | -.026 | -.051 | .059 |
| 21 | .029 | -.061 | -.005 | -.068 | .045 |
| 22 | -.086 | -.022 | -.030 | .095 | -.086 |
| 23 | .071 | .007 | -.068 | .024 | -.180 |
| 24 | -.022 | -.004 | .024 | -.025 | -.076 |
| 25 | .896 ^a | -.476 | -.260 | .159 | -.099 |
| 26 | -.476 | .915 ^a | .025 | -.341 | .049 |
| 27 | -.260 | .025 | .826 ^a | -.457 | .009 |
| 28 | .159 | -.341 | -.457 | .853 ^a | -.241 |
| 29 | -.099 | .049 | .009 | -.241 | .948 ^a |
| 30 | -.034 | -.033 | -.116 | .167 | -.042 |
| 31 | -.074 | .028 | .131 | -.078 | .017 |
| 32 | -.061 | -.008 | -.080 | -.032 | -.068 |
| 33 | .005 | -.013 | .059 | -.051 | .045 |
| 34 | -.033 | -.093 | .069 | -.022 | -.253 |

| | 30 | 31 | 32 | 33 | 34 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15 | -.210 | -.029 | .096 | -.031 | .084 |
| 16 | -.159 | -.008 | .057 | -.038 | .061 |
| 17 | .058 | .046 | .081 | -.094 | .103 |
| 18 | -.181 | .066 | .013 | .012 | .025 |
| 19 | .086 | -.026 | -.032 | -.029 | -.058 |
| 20 | -.227 | .005 | .084 | -.108 | -.027 |
| 21 | .125 | -.171 | -.107 | -.079 | .070 |
| 22 | -.069 | -.047 | -.076 | -.022 | -.006 |
| 23 | -.023 | -.043 | .109 | -.080 | -.340 |
| 24 | -.116 | -.024 | -.143 | -.025 | .019 |
| 25 | -.034 | -.074 | -.061 | .005 | -.033 |
| 26 | -.033 | .028 | -.008 | -.013 | -.093 |
| 27 | -.116 | .131 | -.080 | .059 | .069 |
| 28 | .167 | -.078 | -.032 | -.051 | -.022 |
| 29 | -.042 | .017 | -.068 | .045 | -.253 |
| 30 | .925 ^a | -.352 | -.091 | .034 | -.287 |
| 31 | -.352 | .954 ^a | -.098 | -.068 | -.156 |
| 32 | -.091 | -.098 | .914 ^a | -.345 | .093 |
| 33 | .034 | -.068 | -.345 | .947 ^a | -.223 |
| 34 | -.287 | -.156 | .093 | -.223 | .933 ^a |

APPENDIX 11

Total Variance Explained

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 8.885 | 44.425 | 44.425 | 8.885 | 44.425 | 44.425 |
| 2 | 1.614 | 8.069 | 52.494 | 1.614 | 8.069 | 52.494 |
| 3 | 1.081 | 5.407 | 57.900 | 1.081 | 5.407 | 57.900 |
| 4 | 1.008 | 5.041 | 62.941 | 1.008 | 5.041 | 62.941 |
| 5 | .906 | 4.532 | 67.473 | | | |
| 6 | .793 | 3.963 | 71.436 | | | |
| 7 | .711 | 3.556 | 74.992 | | | |
| 8 | .632 | 3.160 | 78.152 | | | |
| 9 | .563 | 2.817 | 80.969 | | | |
| 10 | .520 | 2.599 | 83.567 | | | |
| 11 | .496 | 2.478 | 86.046 | | | |
| 12 | .444 | 2.219 | 88.264 | | | |
| 13 | .425 | 2.126 | 90.390 | | | |
| 14 | .397 | 1.984 | 92.374 | | | |
| 15 | .345 | 1.724 | 94.098 | | | |
| 16 | .325 | 1.627 | 95.725 | | | |
| 17 | .291 | 1.454 | 97.180 | | | |
| 18 | .222 | 1.108 | 98.287 | | | |
| 19 | .190 | .951 | 99.238 | | | |
| 20 | .152 | .762 | 100.000 | | | |

| Component | Rotation Sums of Squared Loadings | | |
|-----------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % |
| 1 | 5.076 | 25.378 | 25.378 |
| 2 | 3.266 | 16.329 | 41.707 |
| 3 | 2.974 | 14.871 | 56.578 |
| 4 | 1.273 | 6.363 | 62.941 |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |

Extraction Method: Principal Component Analysis.

APPENDIX 12

Rotated Component Matrix^a

| Question | Component | | | |
|----------|-----------|------|-------|------|
| | 1 | 2 | 3 | 4 |
| 33 | .736 | | | |
| 21 | .735 | | | |
| 20 | .709 | | | |
| 31 | .648 | | .423 | |
| 32 | .637 | | | |
| 22 | .624 | | .312 | |
| 24 | .620 | | | |
| 30 | .589 | .307 | .519 | |
| 34 | .575 | .322 | .559 | |
| 23 | .550 | | .527 | |
| 27 | | .833 | | |
| 28 | | .783 | | |
| 26 | .372 | .683 | | |
| 25 | | .654 | | |
| 29 | .430 | .502 | .399 | |
| 17 | | | -.753 | |
| 19 | .435 | | .560 | |
| 18 | .366 | | .525 | |
| 15 | .334 | .413 | .445 | .404 |
| 16 | | | | .898 |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

a. Rotation converged in 7 iterations.

APPENDIX 13

Component 1 - Prestige Factor

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .542 ^a | .293 | .278 | .412 |

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 26.486 | 8 | 3.311 | 19.471 | .000 ^b |
| | Residual | 63.762 | 375 | .170 | | |
| | Total | 90.247 | 383 | | | |

Component 2 - Promotional Approaches

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .421 ^a | .177 | .166 | .443 |

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 15.996 | 5 | 3.199 | 16.287 | .000 ^b |
| | Residual | 74.251 | 378 | .196 | | |
| | Total | 90.247 | 383 | | | |

Component 3 - Social Status

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .426 ^a | .182 | .173 | .441 |

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 16.395 | 4 | 4.099 | 21.034 | .000 ^b |
| | Residual | 73.853 | 379 | .195 | | |
| | Total | 90.247 | 383 | | | |

Overall

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .581 ^a | .337 | .306 | .404 |

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 30.419 | 17 | 1.789 | 10.947 | .000 ^b |
| | Residual | 59.828 | 366 | .163 | | |
| | Total | 90.247 | 383 | | | |

APPENDIX 14

Component 1 : Prestige Factor

| Inter-Item Correlation Matrix | | | | |
|--|--|---|---|--|
| | I will buy expensive product to show prestige. | Feeling arrogant in buying product that have good reputation. | Family always remind to buy good and quality product. | The most important thing for me is the image of store in buying goods. |
| I will buy expensive product to show prestige. | 1.000 | .766 | .455 | .572 |
| Feeling arrogant in buying product that have good reputation. | .766 | 1.000 | .472 | .583 |
| Family always remind to buy good and quality product. | .455 | .472 | 1.000 | .556 |
| The most important thing for me is the image of store in buying goods. | .572 | .583 | .556 | 1.000 |
| I always spend more than I can afford due to peer pressure. | .772 | .715 | .407 | .628 |
| I will buy product that usually used by mid-high level person. | .651 | .577 | .362 | .538 |
| I will buy product that have good reputation. | .412 | .478 | .381 | .452 |
| Parents' asked to buy only branded product. | .581 | .525 | .431 | .477 |

| | I always spend more than I can afford due to peer pressure. | I will buy product that usually used by mid-high level person. | I will buy product that have good reputation. | Parents' asked to buy only branded product. |
|--|---|--|---|---|
| I will buy expensive product to show prestige. | .772 | .651 | .412 | .581 |
| Feeling arrogant in buying product that have good reputation. | .715 | .577 | .478 | .525 |
| Family always remind to buy good and quality product. | .407 | .362 | .381 | .431 |
| The most important thing for me is the image of store in buying goods. | .628 | .538 | .452 | .477 |
| I always spend more than I can afford due to peer pressure. | 1.000 | .584 | .384 | .539 |
| I will buy product that usually used by mid-high level person. | .584 | 1.000 | .567 | .531 |
| I will buy product that have good reputation. | .384 | .567 | 1.000 | .367 |
| Parents' asked to buy only branded product. | .539 | .531 | .367 | 1.000 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation |
|--|----------------------------------|---|--|
| I will buy expensive product to show prestige. | 18.55 | 35.481 | .801 |
| Feeling arrogant in buying product that have good reputation. | 18.19 | 35.855 | .779 |
| Family always remind to buy good and quality product. | 17.48 | 39.770 | .554 |
| The most important thing for me is the image of store in buying goods. | 17.90 | 38.436 | .708 |
| I always spend more than I can afford due to peer pressure. | 18.41 | 36.263 | .763 |
| I will buy product that usually used by mid-high level person. | 17.86 | 38.937 | .707 |
| I will buy product that have good reputation. | 17.24 | 41.171 | .546 |
| Parents' asked to buy only branded product. | 18.67 | 38.622 | .636 |

| | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|--|------------------------------------|---|
| I will buy expensive product to show prestige. | .729 | .876 |
| Feeling arrogant in buying product that have good reputation. | .659 | .878 |
| Family always remind to buy good and quality product. | .379 | .899 |
| The most important thing for me is the image of store in buying goods. | .539 | .886 |
| I always spend more than I can afford due to peer pressure. | .673 | .880 |
| I will buy product that usually used by mid-high level person. | .563 | .886 |
| I will buy product that have good reputation. | .390 | .899 |
| Parents' asked to buy only branded product. | .418 | .892 |

APPENDIX 15

Component 2 : Promotional Approaches

Inter-Item Correlation Matrix

| | I will buy product if I can get free product. | Free product can be reason to induces me for impluse buying. | I will buy product with discount price. |
|---|---|--|---|
| I will buy product if I can get free product. | 1.000 | .688 | .469 |
| Free product can be reason to induces me for impluse buying. | .688 | 1.000 | .455 |
| I will buy product with discount price. | .469 | .455 | 1.000 |
| I tend to buy impulse if I see discount is offered. | .417 | .612 | .597 |
| I always spend more than I can afford due to promotion given. | .479 | .505 | .348 |

| | I tend to buy impulse if I see discount is offered. | I always spend more than I can afford due to promotion given. |
|---|---|---|
| I will buy product if I can get free product. | .417 | .479 |
| Free product can be reason to induces me for impluse buying. | .612 | .505 |
| I will buy product with discount price. | .597 | .348 |
| I tend to buy impulse if I see discount is offered. | 1.000 | .503 |
| I always spend more than I can afford due to promotion given. | .503 | 1.000 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation |
|---|----------------------------------|---|--|
| I will buy product if I can get free product. | 12.72 | 10.174 | .652 |
| Free product can be reason to induces me for impluse buying. | 12.88 | 9.994 | .734 |
| I will buy product with discount price. | 11.90 | 11.963 | .571 |
| I tend to buy impulse if I see discount is offered. | 12.47 | 10.824 | .666 |
| I always spend more than I can afford due to promotion given. | 13.07 | 10.193 | .572 |

| | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|------------------------------------|---|
| I will buy product if I can get free product. | .537 | .794 |
| Free product can be reason to induces me for impluse buying. | .607 | .769 |
| I will buy product with discount price. | .417 | .817 |
| I tend to buy impulse if I see discount is offered. | .548 | .791 |
| I always spend more than I can afford due to promotion given. | .350 | .822 |

APPENDIX 16

Component 3 : Social Status

Inter-Item Correlation Matrix

| | Feeling inferior if do not have good product. | I always spend more than I can afford due to social status. |
|---|---|---|
| Feeling inferior if do not have good product. | 1.000 | .559 |
| I always spend more than I can afford due to social status. | .559 | 1.000 |
| Buying product without using it. | .404 | .425 |
| Buying product for collection. (Different colour and shape with same function). | .392 | .489 |

| | Buying product without using it. | Buying product for collection. (Different colour and shape with same function). |
|---|----------------------------------|---|
| Feeling inferior if do not have good product. | .404 | .392 |
| I always spend more than I can afford due to social status. | .425 | .489 |
| Buying product without using it. | 1.000 | .557 |
| Buying product for collection. (Different colour and shape with same function). | .557 | 1.000 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation |
|---|----------------------------------|---|--|
| Feeling inferior if do not have good product. | 6.72 | 7.665 | .563 |
| I always spend more than I can afford due to social status. | 7.14 | 6.891 | .620 |
| Buying product without using it. | 7.21 | 8.194 | .568 |
| Buying product for collection. (Different colour and shape with same function). | 7.35 | 7.595 | .593 |

| | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|------------------------------------|---|
| Feeling inferior if do not have good product. | .350 | .737 |
| I always spend more than I can afford due to social status. | .406 | .708 |
| Buying product without using it. | .359 | .736 |
| Buying product for collection. (Different colour and shape with same function). | .391 | .721 |

APPENDIX 17

Component 4 : Product Usage and Purchasing Power

Inter-Item Correlation Matrix

| | Buying decision influence by advertising | Buying decision based on financial power |
|--|--|--|
| Buying decision influence by advertising | 1.000 | .289 |
| Buying decision based on financial power | .289 | 1.000 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation |
|--|----------------------------|--------------------------------|----------------------------------|
| Buying decision influence by advertising | 4.27 | .741 | .289 |
| Buying decision based on financial power | 2.67 | 1.191 | .289 |

| | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|--|------------------------------|----------------------------------|
| Buying decision influence by advertising | .083 | |
| Buying decision based on financial power | .083 | |



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